

Introduction

In the period of January–September of 2014, with the slight improvement of the European economy, in Poland upward trends continued, though in certain areas a slight slowdown was observed in the 3rd quarter. The sold production of industry, despite the slowdown of the dynamics in July–September of 2014, grew in the period of the nine months in annual terms to a larger extent than in the previous year. The construction and assembly production was higher than recorded last year, when a severe decrease was registered. Retail sales increased at a faster rate than in January–September of the previous year, which was largely due to the significant dynamics in the 1st half of 2014.

Gradual improvement of the situation on the labour market was observed in the subsequent quarters – an increase in employment and a reduction in the number of registered unemployed persons. The growth of the average monthly nominal wages and salaries in the enterprise sector in January–September of 2014 was higher than a year before, though it slowed down slightly in the 3rd quarter. The low inflation had a positive impact on the dynamics of the purchasing power of wages and salaries as well as retirement and other pension.

In the period of three quarters of 2014, the sold production of industry increased by 3.4% in annual terms. A growth was observed in manufacturing as well as in water supply, waste management and remediation activities, whereas sold production of mining and quarrying as well as electricity, gas, steam and air conditioning supply was below the previous year's level. Among the main industrial groupings, an increase was registered in all of them except production of energy goods. The fastest sales growth was observed in enterprises manufacturing mainly capital and intermediate goods. Labour productivity in industry increased by 2.5% in annual terms in the period of the three quarters, together with a growth in employment of 0.9%. Construction and assembly production in January–September of 2014 was by 5.5% higher than a year before (when a drop of 15.6% was recorded). Retail sales grew by 4.3% in the same period.

In September of 2014, following the decrease of the previous month, an increase in annual terms was observed in production of industry of 4.2% and in construction and assembly production of 5.6%. The growth rate of retail sales was close to that recorded in the previous two months and amounted to 3.0%.

According to the surveys carried out in October of 2014, the mood of enterprises dealing with manufacturing is optimistic, similar as in the previous month. The assessments of the current order-books and financial situation are positive (while they were unfavourable in September of 2014). However, the order-books forecasts are unfavourable (compared with optimistic a month before) and financial situation forecasts are less positive. The assessment of current production improved, but the forecasts in this area are less optimistic than in September of 2014. Construction companies assess the general business tendency climate more negatively than a month before, mainly due to the worsening of the pessimistic forecasts concerning financial situation, order-books and production. The general business tendency climate in retail sales is assessed positively, better than in September of 2014. As compared to

the previous month, retail trade units express more favourable forecasts concerning the demand and sales. Construction companies plan to expand the scale of employment reductions, while the enterprises operating in manufacturing and trading entities forecast slight employment reductions.

The prices of consumer goods in the period January–September of 2014 grew by 0.2% as compared with the year before, i.e. they grew much slower than the lower limit for deviations from the inflation target. In the 3rd quarter of 2014, the prices decreased in annual terms, which was mainly due to the decrease in prices of food and non-alcoholic beverages and the prices of goods and services associated with transport, a slowdown was observed in the prices of goods and services related to housing. The producers prices in industry and construction in January–September of 2014 were lower than a year before.

Average monthly gross nominal wages in the enterprise sector in the course of three quarters of 2014 grew in annual terms faster than a year before. With the low dynamics of consumer prices, the growth of the purchasing power of wages and salaries was also faster than in the previous years. The nominal and real retirement and other pension in the employee system grew at the rate close to that of wages and salaries, while those of individual farmers – at a slower rate.

Average employment in the enterprise sector in the nine months of 2014 was higher than a year before by 0.5%. The registered unemployment rate decreased to 11.5% at the end of September of 2014 and was the lowest for last four years. Less persons than a year before registered as unemployed, and the outflow from unemployment rolls increased slightly, mostly due to receiving a jobs.

On the agricultural market in the period of nine months of this year, with an increased supply, the procurement prices of cereals were lower than the previous year's levels. The procurement prices of animals for slaughter and potatoes also decreased. In turn, the prices of milk were higher than in the same period of the previous year. In September of 2014, the prices of the majority of animal and plant products were lower than a year before, except for rye.

In the period of January–August of 2014, a growth was recorded in foreign trade turnover compared with the same period of the previous year, higher in exports than in imports. As a result, the total turnover closed with a slightly less negative balance than a year before. The turnover with developed countries (including EU countries) and developing countries increased, while with the Central and Eastern European countries – decreased. The price relations were favourable – in the period of January–July of 2014, the terms of trade index amounted to 104.1 (as compared with 101.9 a year before).

The revenues of the State Budget in the course of the three quarters of 2014 amounted to PLN 209.3 bn, and the expenditures – to PLN 231.6 bn (i.e. 75.3% and 71.2% of the amount planned in the Budget Act for 2014 respectively). The deficit reached the level of PLN 22.4 bn, which accounted for 47.1% of the plan.

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	5526	5531	5535	5537			
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	1913	1879	1853	1822			
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	13,9	13,9	13,5	13,0	12,5	12,0	11,8	11,7	11,5			
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	3943,01	3964,91	3893,23	3900,49			
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	101,7	100,6	98,2	100,2			
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	103,5	103,5	103,5	103,4			
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	103,2	103,6	103,7	103,7			
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	103,4	104,2	103,7	103,7			
of farmers												
corresponding month of previous year=100.....												
a	106,7	107,2	104,7	104,8	105,3	105,6	104,3	104,5	104,5	104,7	105,0	105,0
b	103,7	103,8	100,8	101,0	101,2	101,3	101,7	101,9	101,9			
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	100,0	99,8	99,6	100,0			
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	100,3	99,8	99,7	99,7			
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	100,1	99,9	99,5	99,4			
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	99,9	99,9	100,3	100,1			
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	98,2	97,9	98,5	98,4			
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	100,0	100,0	100,0	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	98,7	98,8	99,1	99,2			

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
corresponding month of previous year=100	b	103,0	98,2	109,4	97,8	98,3	100,0	102,1	91,5	116,5			
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
of previous year=100	b	104,2	105,3	105,5	105,5	104,4	101,8	102,4	98,1	104,2			
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
corresponding month of previous year=100	b	36,0	118,7	124,2	103,2	114,0	116,8	100,9	94,6	119,8			
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
of previous year=100	b	96,1	114,4	117,4	112,2	110,0	108,0	101,1	96,4	105,6			
Dwellings completed (from the beginning of year)	a	14059	24999	37155	47771	57480	67962	80918	91380	102102	116540	129128	145136
of previous year=100	b	12566	24999	35601	47260	56154	66457	78897	88699	100138			
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
corresponding month of previous year=100	b	78,7	99,5	112,5	102,3	97,5	99,2	105,2	99,6	99,0			
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
of previous year=100	b	104,8	107,0	103,3	108,9	104,3	101,8	103,1	102,8	103,0			
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	-42194,1
of previous year=100	b	-2601,1	-11718,2	-17491,0	-21179,9	-22362,6	-25298,6	-26403,2	-24603,5	-22372,5			
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
of previous year=100	b	306,50	306,13	303,78	302,93	304,15	304,25	305,98	314,82	324,75			
of previous year=100	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
of previous year=100	b	417,76	417,86	419,72	418,41	417,90	413,69	414,47	419,32	419,01			
of previous year=100	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
of previous year=100	b	339,35	342,05	344,71	343,17	342,44	339,65	341,14	346,02	346,95			
Foreign trade ⁴ in mln zł:													
exports	a	50197,9	51233,0	52865,1	54595,6	51014,3	54495,8	55546,9	52051,9	59090,6	61895,0	56863,8	48028,9
of previous year=100	b	55359,9	53701,8	58090,6	58247,6	55938,2	55514,2	56173,5	48475,9	.			
of previous year=100	a	51777,2	50757,1	56339,0	53298,0	52109,8	53463,5	56547,3	52500,3	57405,5	62871,1	58468,3	50561,1
of previous year=100	b	55583,7	54187,1	58630,9	57266,7	57723,3	55601,8	57342,9	49289,9	.			
of previous year=100	a	-1579,3	475,9	-3473,9	1297,6	-1095,5	1032,3	-1000,4	-448,4	1685,1	-976,1	-1604,5	-2532,2
of previous year=100	b	-223,9	-485,3	-540,3	980,9	-1785,1	-87,6	-1169,4	-813,9	.			

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 In 2014 - preliminary data.