

Socio-economic situation of Poland

In April 2016 the upward tendencies strengthened in majority of basic areas of the economy. Sold production of industry grew faster in annual terms than in the 1st quarter of 2016. A growth in retail sales and in the sales of services in transport was also higher. However, construction and assembly production was still much below the previous year's level. The drop in the prices of consumer goods and services slightly deepened.

The financial results obtained in the 1st quarter of 2016 by the surveyed non-financial enterprises were better than in the corresponding period of the previous year; however, the investment activity of enterprises decreased, following a considerable growth a year before.

A further gradual improvement in the labour market situation was observed. In April 2016, a growth in the average paid employment in the enterprise sector in annual terms was higher than in the preceding months, and the registered unemployment rate dropped to 9.5%. The preliminary results of the Labour Force Survey for the 1st quarter of 2016 indicate a higher number of employed persons and a higher employment rate, as compared to the previous year, along with a drop in unemployment.

Average monthly nominal and real gross wages and salaries in the enterprise sector, in April 2016, rose in annual terms at a higher rate than in the 1st quarter of 2016. The dynamics of the nominal retirement and other pensions weakened both in the employee and in the farmers system; however, with a drop in consumer prices, the purchasing power of these pensions was still higher than a year before.

The drop in the prices of consumer goods and services in annual terms was more considerable in April 2016 than in the previous months. This was influenced, among others, by the slower than in March 2016 growth in the prices of food and non-alcoholic beverages and by a slightly deeper drop in the prices of clothing and footwear, as well as in prices of goods and services related to dwellings. The scale of the decrease in producer prices in industry lowered, and that of the prices of construction and assembly production did not change considerably.

The sold production of industry in April 2016 was by 6.0% higher than a year before (after eliminating the influence of seasonal factors, the growth amounted to 5.7%). The growth was recorded in manufacturing and water supply; sewerage, waste management and remediation activities, with a drop in the remaining two sections. In most of the main industrial groupings (except for energy goods) production was higher than a year before; the highest rise was observed in the production of durable consumer goods and capital goods. Construction and assembly production was lower than a year before by 14.8% (after eliminating the influence of seasonal factors – by 15.8%). A drop was recorded in all divisions of construction, with the deepest one occurring in civil engineering. Retail sales in April 2016 were by 5.5% higher than a year before.

In May 2016, the general business tendency climate in manufacturing is assessed positively, similarly as a month before. Indications regarding the current order-books and production are optimistic and similar to the ones recorded in April 2016. Forecasts in those areas are less positive than a month before. The current financial situation is assessed slightly less

negatively, with a slight worsening of the positive forecasts. In construction, the general business tendency climate is perceived less pessimistically than a month before. The negative assessments of the current order-books and construction and assembly production improved, and the forecasts in those areas are similar to the ones reported in April 2016. Assessments regarding the current financial situation are also less unfavourable, and expectations in this area are slightly more optimistic than a month before. The general business tendency climate in May 2016 is assessed favourably by retail trade entities, similarly to April 2016. The optimistic diagnoses and forecasts regarding sales maintained. The negative assessments of the financial situation of those enterprises are improving, with the positive expectations in this area, similar to the ones formulated in the previous month.

In the 1st quarter of 2016, the non-financial enterprises surveyed obtained higher net and gross financial results than a year before, and the basic economic and financial relations improved. The share of enterprises showing net profit in the total number of enterprises was slightly higher than in the 1st quarter of 2015, but the share of their revenues in total revenues from the whole activity of all entities surveyed decreased. The economic and financial indicators of exporters slightly improved and reached more favourable levels than for all enterprises in total. Investment outlays of the enterprises surveyed were by 8.6% lower than a year before (in constant prices), whereas their growth of 14.6% was recorded in the 1st quarter of 2015.

On the agricultural market in April 2016 the prices of most basic animal products and the procurement prices of wheat were lower than a year before. A growth was recorded, among others, in the prices of potatoes and cereals. The profitability of pigs breeding decreased. The preliminary results of the survey conducted at the end of March 2016 indicate the deepening of the drop in the livestock of pigs in annual terms, which was influenced by limiting the number of animals in all categories.

In the 1st quarter of 2016, in foreign trade turnover (calculated in PLN) a slightly higher growth in annual terms was observed in exports than in imports. The exchange closed with a positive balance, higher than a year before. Turnover increased, among others, with developed countries (including EU countries). For the first time in two years, exports to the Central and Eastern European countries increased, in particular to Ukraine and Belarus. In the period of January-February 2016 the price relations in foreign trade reached favourable levels.

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								
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								
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								
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								
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								
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								
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								
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								
of farmers													
corresponding month of previous year=100	a	102,9	103,2	104,9	104,4	105,5	104,4	103,6	103,1	103,3	103,0	102,8	102,7
	b	103,0	103,0	100,5	100,3								
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								
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								
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								
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								
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								
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								
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	99,2								

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								
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								
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	110,0								
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	85,2								
Dwellings completed (from the beginning of year)	a	11748	21241	31703	42138	52548	63966	76852	88067	101331	116296	130032	147711
	b	11543	24229	37313	49731								
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								
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								
State budget balance - from the beginning of year (in mln zł)	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	.								
Average exchange rates in zł - 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								
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								
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								
Foreign trade ⁴ in mln zł:													
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	59666,5	65389,1	66892,9	.								
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	56713,5	62425,8	64490,2	.								
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	2953,0	2963,3	2402,7	.								

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.