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I. Socio-economic Situation of Poland in the 1st Half of 2017

Introduction

In the 1st half of 2017, growth tendencies were observed in major areas of the economy. In some kinds of activity, the dynamics, in the 2nd quarter was slightly slower than in the 1st quarter.

According to preliminary estimates, the gross domestic product (at annual average constant prices of the previous year) increased, in real terms, by 3.9% in the 2nd quarter of 2017 (compared to the increase of 3.0% a year before). After eliminating the influence of seasonal factors (at constant prices, with reference year 2010) the gross domestic product was higher, in real terms, by 4.4% compared to the corresponding period of the previous year.

In the 1st half of 2017, there were observed the following tendencies:

- Average monthly nominal and real wages and salaries in the enterprise sector, in the 2nd quarter, grew in annual terms faster than in the 1st quarter.
- Nominal retirement and other pensions, both in the employee and farmers' systems, increased at a slower pace than wages in the enterprise sector. Along with higher than the previous year consumer prices, the purchasing power of retirement and other pensions from the non-agricultural social security system, in the 1st half of 2017, remained similar as the year before, and farmers – decreased.
- Average paid employment in the enterprise sector increased in annual terms by 4.3%; in the 2nd quarter, the growth was slightly slower than in the 1st quarter.
- The inflow into the registered unemployment was lower than in the six months of the previous year. The registered unemployment rate fell to 7.1% at the end of June 2017.
- Sold production of industry grew in annual terms by 5.7%. The sales in most sections were higher than a year before (with the exception of mining and quarrying), of which faster than the average growth was observed in manufacturing.
- Construction and assembly production, after a deep decline in the previous year, increased by 7.6% compared to the corresponding period of the previous year.
- Retail sales grew by 6.9% in comparison with the corresponding period of the previous year.
- Prices of consumer goods and services were by 1.9% higher than in the previous year, when a decline was observed. In the 2nd quarter, the growth was slightly slower than in the 1st quarter. In the period of January-June 2017, after a decrease in the previous year, the prices of goods and services related to transport significantly increased, and – at a lesser extent the once related to dwelling; a faster increase than in the first half of last year was recorded in the prices of food and non-alcoholic beverages.
- Producer prices grew in annual terms, after a decline observed in the previous four years. In the 2nd quarter of 2017, dynamics of industrial producer prices slowed, and prices of construction and assembly production increased slightly.
- On the agricultural market, procurement prices of plant products (with the exception of potatoes prices) were higher than in the corresponding period of the previous year. The procurement prices of animal products were above the level of the year before (except for prices of poultry for slaughter). Profitability of pig fattening remained low, although the price relations was gradually improved and in June 2017 they were more favourable than in the previous year.
- Non-financial enterprises recorded better financial results than a year before. Basic economic and financial relations of these entities did not change significantly. The share of enterprises reporting net profit in the total number of surveyed entities decreased. Basic economic and financial indicators obtained by exporters were slightly lesser than a year before, but better than for all the entities in total.
- Investment outlays of surveyed enterprises in total were lower than a year before (by 1.1%, against a drop of 7.1% in the 1st half of the previous year).

The investment activity of entities with foreign capital participation decreased .

- In the foreign trade turnover (expressed in PLN), higher growth in imports than in exports, in annual terms, was observed. The exchange closed with the positive balance, lower than a year before. The turnover with all groups of countries increased - mostly with the Central and Eastern Europe countries.

"Terms of trade" index was unfavourable, which was mainly affected by the price relations with the Central and Eastern Europe countries.

- State budget revenue amounted to PLN 176.7 bn (i.e. 54.3% of the amount assumed in the budget act for 2017.) and expenditure – PLN 170.8 bn (44.4% respectively). A surplus of PLN 5.9 bn reached the level.

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Population

According to preliminary estimates, at the end of June 2017, the population of Poland amounted to approx. 38 422 thous. – which means that as a result of vital statistics and international migration the population number decreased by approx. 11 thous. in relation to the end of the previous year and by approx. 5 thous. as compared with the status of the preceding year. In the 1st half of 2017, in relation to the corresponding period of the previous year, the number of births and the number of deaths increased; natural increase remained negative. It is estimated, that in the 1st half of 2017 the net of international migration – like a year before – was positive.

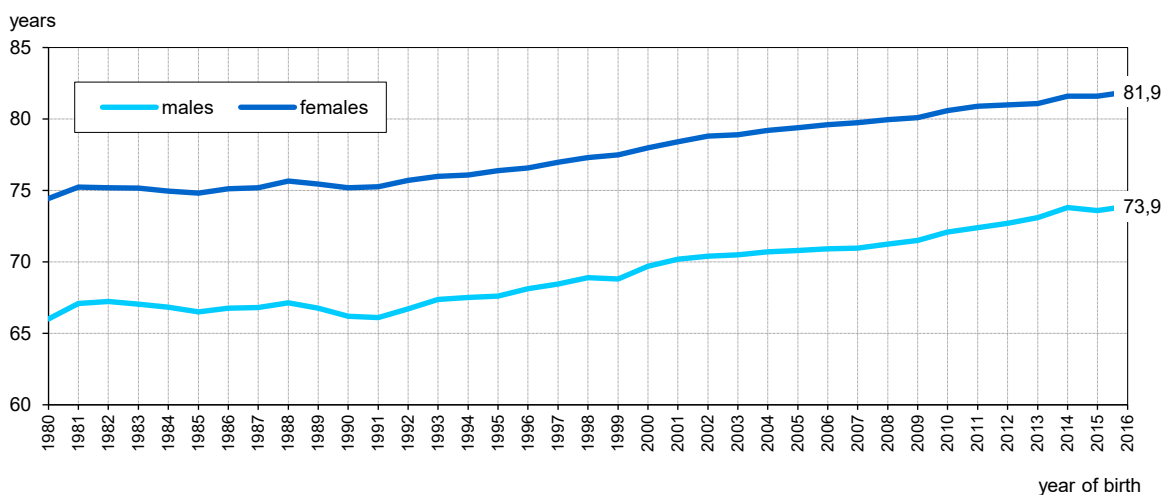
According to the preliminary data, in the 1st half of 2017, approx. 200 thous. live births were recorded, i.e. by over 14 thous. more than a year before. The birth rate increased by 0.7 point to 10.4‰. Approximately, 211 thous. persons died, i.e. by nearly 14 thous. more than in the 1st half of 2016. The death rate amounted to 11.0‰, against 10.3‰ in the previous year. Similarly to the corresponding period of the previous year, a natural decrease

(a difference between the number of live births and the number of deaths) at the level of 11 thous. was recorded. The rate of natural increase remained at the level minus 0.6 ‰.

The infant mortality slightly increased – approx. 0.8 thous. children below 1 year of age died (by almost 100 more than in the 1st half of the previous year), and the rate expressing the number of infant deaths per 1000 live births amounted to 4.0‰ (a year before 3.9‰).

It is estimated that in the period of January–June 2017, approx. 71 thous. marriages were contracted (by over 2 thous. less than a year before), of which more than 60% were religious marriages. The marriage rate reached the level of 3.7‰ and was by 0.1 point lower than a year before. However, the number of divorces increased – by almost 2 thous. to approx. 34 thous. The divorce rate went up by 0.1 point and amounted to 1.8‰. Separation was pronounced in almost 0.9 thous. marriages, which means a slight increase as compared to the corresponding period of the previous year.

Expectation of life



Basic demographic data^a

Specification	1990	2000	2005	2009	2010	2014	2015	2016	First half of the year	
									2016	2017 ^b
Total population in thous. (end of period).....	38073	38254	38157	38167	38530	38479	38437	38433	38427	38422
Actual increase:										
in thous.	85	-9	-17	31	33	-17	-42	-4	-10	-11
in %	0.22	-0.02	-0.04	0.08	0.08	-0.04	-0.11	-0.01	-0.03	-0.03
Natural increase:										
in thous.	157.4	10.3	-3.9	32.7	34.8	-1.3	-25.6	-5.8	-11.5	-11.0
per 1000 population	4.1	0.3	-0.1	0.9	0.9	0.0	-0.7	-0.1	-0.6	-0.6
Births:										
in thous.	547.7	378.3	364.4	417.6	413.3	375.2	369.3	382.3	185.5	200.0
per 1000 population	14.3	9.9	9.6	11.0	10.7	9.7	9.6	9.9	9.7	10.4
Deaths total:										
in thous.	390.3	368.0	368.3	384.9	378.5	376.5	394.9	388.0	197.1	211.0
per 1000 population	10.2	9.6	9.7	10.1	9.8	9.8	10.3	10.1	10.3	11.0
Infant deaths:										
in thous.	10.6	3.1	2.3	2.3	2.1	1.6	1.5	1.5	0.7	0.8
per 1000 live births	19.3	8.1	6.4	5.6	5.0	4.2	4.0	4.0	3.9	4.0
Marriages:										
in thous.	255.4	211.2	206.9	250.8	228.3	188.5	188.8	193.5	73.0	71.0
per 1000 population	6.7	5.5	5.4	6.6	5.9	4.9	4.9	5.0	3.8	3.7
Divorces:										
in thous.	42.4	42.8	67.6	65.3	61.3	65.8	67.3	63.5	32.5	34.0
per 1000 population	1.1	1.1	1.8	1.7	1.6	1.7	1.8	1.7	1.7	1.8
Separations in thous.	-	1.3	11.6	3.2	2.8	1.9	1.7	1.6	0.8	0.9
Net of international migrations for permanent residence in thous...	-15.8	-19.7	-12.9	-1.2	-2.1	-15.8	-15.8	1.5	1.1	0.1

^a Data concerning the population and the demographic rates per 1000 population were compiled on the basis of results of the successive censuses: for 1990-2009 – results of the Population and Housing Census 2002, and since 2010 – results of the Population and Housing Census 2011.
^b Preliminary data.

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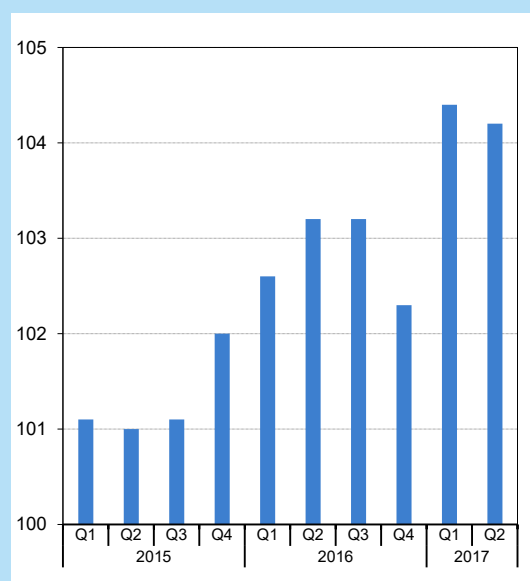
Labour Market

In the 1st half of 2017, the average paid employment in the national economy¹ amounted to 9 168.5 thous. persons and was by 3.5% higher than in the corresponding period of the previous year. In the enterprise sector² the average paid employment increased to a greater extent than a year before. In the 2nd quarter of 2017, the growth rate was slightly slower than in the 1st quarter. In the period of January–June 2017, the inflow to registered unemployment was lower than in the 1st half of the previous year; the number of persons removed from the unemployment rolls decreased. Unemployment rate declined to 7.1% at the end of June 2017.

Average paid employment in the enterprise sector in the 1st half of 2017, remained at the level of 5 978.6 thous. persons, i.e. by 4.3% higher than a year before (against a growth of 2.9% in the corresponding period of the previous year). The highest increase in employment was recorded in administrative and support service activities (of 9.4%), accommodation and catering (of 9.1%) and transportation and storage (of 7.0%). The growth in employment (of 2.4% – 6.6%) was also recorded in professional, scientific and technical activities, information and communication, trade; repair of motor vehicles, real estate activities, manufacturing as well as water supply; sewerage waste management and remediation activities. Employment was lower than in the 1st half of the previous year was observed in mining and quarrying (by 5.5% against a drop of 8.0% a year before), electricity, gas, steam and air conditioning supply (by 1.6%) and in construction (by 0.3%).

Among division with a significant share in employment, in the period of January–June 2017,

Average paid employment in the enterprise sector
(corresponding period of the previous year=100)



a growth in paid employment, in annual terms, was recorded, among others, in enterprises dealing with land and pipeline transport (of 8.8%), manufacture of motor vehicles, trailers and semi-trailers (of 8.0%), wholesale and retail trade and repair of motor vehicles and motorcycles (of 7.7%), manufacture of rubber and plastics products (of 6.5%), manufacture of furniture (of 5.6%) and warehousing and support activities for transportation (of 5.3%). The decrease in employment, lower than a year before, was recorded in mining of coal and lignite (8.6% against 11.5%). Employment also deepened in enterprises dealing with manufacture of wearing apparel (by 1.2%), civil engineering (by 0.9%), construction of buildings (by 0.7%), and manufacture of machinery and equipment n.e.c. (by 0, 3%).

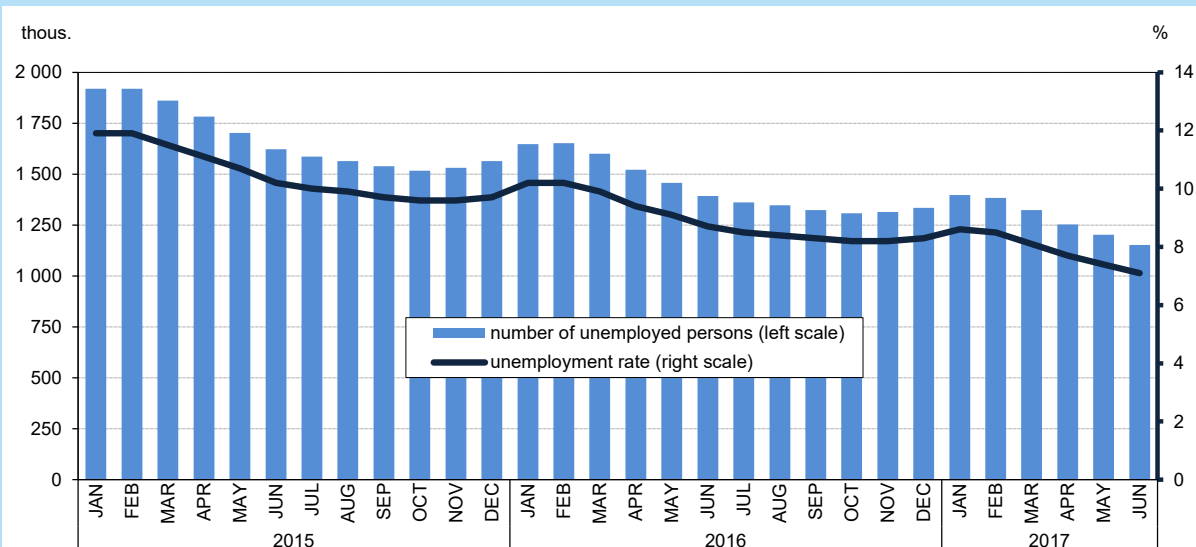
The employed persons and the average paid employment in the national economy¹

Specification a – corresponding period of the previous year=100	2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2
Employed persons (end of period) in thous. ...	8 830	8 866	8 898	8 947	9 138	9 169
a	102.3	102.6	102.7	102.7	103.5	103.4
Average paid employment in thous.	8 428	8 460	8 471	8 575	8 694	8 718
a	102.1	102.4	102.6	102.1	103.2	103.1

¹ Excluding economic entities employing up to 9 persons, private farms in agriculture as well as budget entities, conducting activity in the scope of national defence and public safety.

² In economic entities employing more than 9 persons.

Registered unemployment



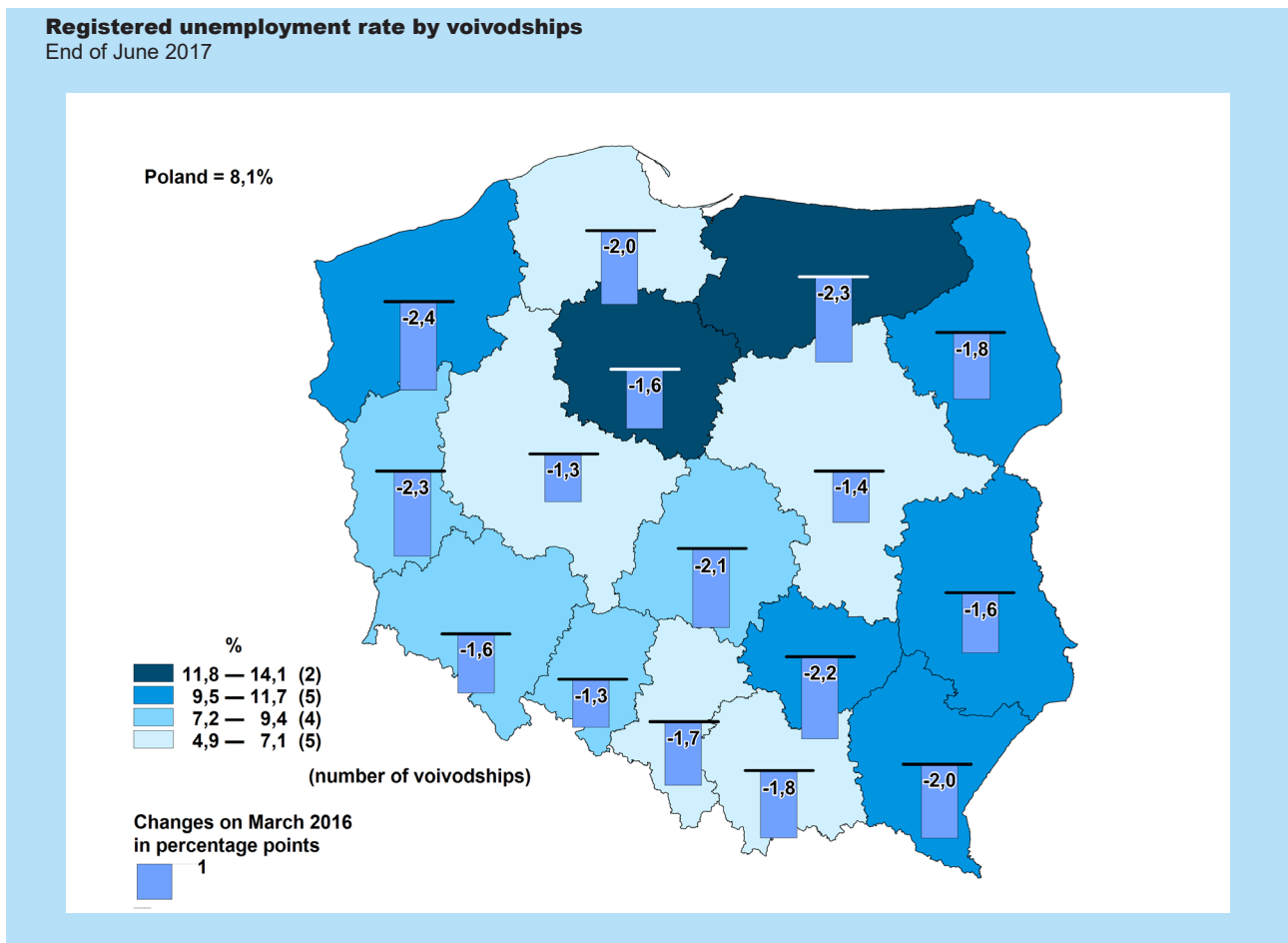
Registered unemployment

Specification a – corresponding period of the previous year=100	2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2
Registered unemployed persons in total (end of period) in thous.	1 600.5	1 392.5	1 324.1	1 335.2	1 324.2	1 151.6
a	86.0	85.8	86.0	85.4	82.7	82.7
Newly registered unemployed persons in thous.	600.0	482.7	530.5	556.6	520.5	414.3
a	96.1	96.5	89.0	85.8	86.7	85.8
Persons removed from unemployment rolls in thous.	562.9	690.7	598.8	545.6	531.5	586.9
a	95.6	93.5	88.2	87.4	94.4	85.0
Unemployment flow (inflow – outflow).....	37.1	-208.0	-68.3	11.0	-11.0	-172.6
Unemployment rate (end of period) in %.....	9.9	8.7	8.3	8.3	8.1	7.1

At the end of June 2017, the number of unemployed persons registered in labour offices reached the level of 1 151.6 thous. and decreased, in annual terms, by 17.3%, i.e. by 240.8 thous. The registered unemployment rate amounted to 7.1% and was by 1.6 percentage points lower than a year before.

The unemployment rate in voivodships ranged from 4.2% in wielkopolskie to 12.1% in warmińsko-mazurskie. In annual terms, the unemployment rate decreased in all voivodships, the most in świętokrzyskie (by 2.2 percentage points), and the least – in wielkopolskie voivodship (by 1.1 percentage points).

At the end of June 2017, in the structure of registered unemployed persons the share of women was higher than that of men and amounted to 54.7% (by 1.8 percentage points more than a year before). As compared to June of 2016, the percentage of previously working persons increased (by 1.0 percentage point to 86.0%) and grew slightly in the case of persons without occupational qualifications (by 0.1 percentage point to 31.0%). However, the percentage of persons without benefit rights decreased (by 0.8 percentage point to 85.3%), and the share of graduates – slightly dropped (by 0.1 percentage point to 2.1%).



Among the unemployed persons with a specific situation on the labour market, the share of the following categories in the total number of registered persons decreased in relation to the corresponding period of the previous year:

- unemployed persons below 30 years of age (by 1.4 percentage points to 25.9%, of which the share of persons below 25 years of age was by 1.1 percentage points lower than a year before and amounted to 12.3%),
- long-term unemployed persons³ (by 0.2 percentage point to 56.6%).

However, the percentage of unemployed persons increased:

- with at least one child under 6 years of age (by 2.1 percentage points to 18.9%),
- over the age of 50 (by 1.1 percentage points to 29.2%),
- making use of social assistance benefits (0.3 percentage point to 2.3%),

- disabled (0.1 percentage point to 6.3%).

The share of unemployed persons with a disabled child under 18 years of age was similar to the previous year and amounted to 0.2%.

In the 1st half of 2017, the number of newly registered unemployed persons amounted to 934.8 thous. and was by 13.7% lower than a year before (against a drop of 3.7% in the corresponding period of the previous year). Persons registering for another time still constituted the most numerous group and their share in the newly registered unemployed persons in total decreased in annual terms (by 0.3 percentage point to 82.9%). The percentage of long-term unemployed persons, these who had not been previously employed, graduates, these without occupational qualifications, these terminated for company reasons and persons residing in rural areas also decreased.

In the period of six months 2017, 1 118.4 thous. persons were removed from the unemployment

³ Long-term unemployed persons include persons remaining in the register rolls of the powiat labour office for the whole period of over 12 months during the last 2 years, excluding periods of traineeship and occupational preparation at the workplace.

register, i.e. by 10.8% less than a year before (against a drop of 5.5% in the corresponding period of the previous year). The main reason for deregistering was still taking up a job, as a result of which 534.0 thous. persons were removed from the unemployment rolls (i.e. less than a year before, when 619.3 thous. persons were removed). The share of this category in the total number of deregistered persons in annual terms declined by 1.7 percentage points to 47.7%. Fewer persons than in the 1st half of 2016 undertook non-subsidised work (419.7 thous. against 496.8 thous.) and subsidised work (114.3 thous. against 122.5 thous.). Among the deregistered, the share of persons who lost unemployed status as a result of not confirming their readiness to take up a job decreased and also persons who had acquired pre-retirement benefits. However, the percentage of persons who voluntarily resigned

from the status of the unemployed increased, and those who obtained rights for pay or pension retirement. The percentage of persons who started their training or traineeship with employers reached a similar level to the one recorded a year before.

In the 1st half of 2017, 867.3 thous. job offers⁴ were submitted to labour offices, i.e. by 12.5% more than a year before. Offers from the public sector accounted for 11.6% of total offers (against 13.7% in the corresponding period of the previous year). The number of offers from this sector decreased (by 5.0%), while from the private sector – rose (by 15.3%). At the end of June 2017, employment offers unused for more than one month accounted for 25.6% of total offers (against 22.2% a year before). Among of all offers, 6.4% referred traineeship, 4.5% were targeted at disabled persons, and 0.2% – at graduates.

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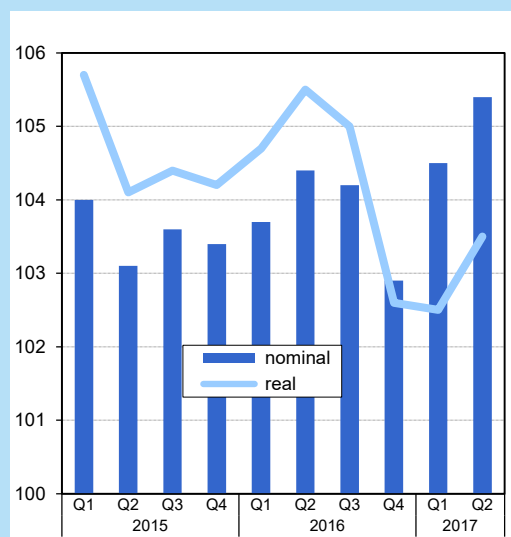
⁴ It concerns the vacant places of employment and places of occupational activation.

Wages and Salaries, and Social Benefits

In the 1st half of 2017, the average monthly nominal gross wage and salary in the national economy⁵ amounted to PLN 4 285.84, i.e. by 4.6% more than in the corresponding period of the previous year. In the enterprise sector⁶ an increase of the average monthly gross nominal wages and salaries was higher than in the previous periods; in the 2nd quarter of 2017 the dynamics strengthened. With higher consumer prices than a year before, the real gross wages and salaries rose to a lesser extent than in the 1st and 2nd half of 2016. Nominal gross retirement and other pensions in both systems grew more slowly than wages and salaries in the enterprise sector; purchasing power of retirement and other pensions from the non-agricultural social security system in the 1st half of 2017, was similar to a year before, and the benefits of farmers – decreased slightly.

Average wages and salaries

Average monthly gross wages and salaries in the enterprise sector (corresponding period of the previous year=100)



Average monthly nominal gross wages and salaries in the enterprise sector

Specification	Q1–Q2 2016	Q1–Q2 2017	2016			2017		
			Q1	Q2	Q1–Q2	Q1	Q2	
			in PLN					
Total	4224.13	4433.94	103.7	104.4	104.0	105.0	104.5	105.4
of which:								
Industry	4246.01	4459.78	103.0	103.2	103.1	105.0	104.1	105.9
mining and quarrying	6076.37	6478.96	96.7	93.8	95.2	106.6	104.4	108.9
manufacturing	4009.21	4235.80	104.1	104.6	104.4	105.7	105.2	106.1
electricity, gas, steam and air conditioning supply	6728.55	6907.50	105.6	105.6	105.6	102.7	99.0	106.7
water supply; sewerage, waste management and remediation activities	4006.26	4137.16	103.3	103.9	103.6	103.3	102.7	103.8
Construction	4170.72	4368.21	103.7	106.3	105.0	104.7	105.6	104.0
Trade; repair of motor vehicles	3911.07	4174.92	104.4	106.2	105.3	106.7	106.7	106.8
Transportation and storage	3819.07	3973.44	103.1	103.4	103.2	104.0	103.7	104.4
Accommodation and catering	3041.88	3214.20	106.0	106.6	106.3	105.7	104.8	106.6
Information and communication	7605.74	7879.74	104.2	104.2	104.2	103.6	103.6	103.6
Real estate activities	4447.07	4729.29	105.5	103.8	104.6	106.3	105.2	107.5
Professional, scientific and technical activities ^a	6413.41	6525.51	105.9	105.6	105.7	101.7	100.7	102.8
Administrative and support service activities	2980.26	3156.90	103.6	104.8	104.2	105.9	104.6	107.3

a Excluding the divisions: „Scientific research and development”, as well as „Veterinary activities”.

⁵ Including entities employing up to 9 persons.

⁶ In entities employing more than 9 persons.

Average monthly gross wage and salary in the enterprise sector, in the first half of 2017, amounted to PLN 4 433.94 and was by 5.0% higher than in the corresponding period of the previous year (a growth of 4.0% was recorded a year before). Wages grew higher than in average in trade; repair of motor vehicles (by 6.7%), mining and quarrying (by 6.6%), real estate activities (by 6.3%), administrative and support services activities (by 5.9%), manufacturing and accommodation and catering (by 5.7% each). Average monthly gross wages and salaries were higher than in the 1st half of 2016 in most of the divisions with a considerable share in employment. Wages and salaries rose significantly, among others, in retail trade (by 8.1%), manufacture of wearing apparel (by 7.3%), manufacture of motor vehicles, trailers and semi-trailers, as well as in civil engineering (by 7.2% each), manufacture of food products (by 6.9%) and in production of machinery and equipment n.e.c. (by 6.3%).

In the 1st half of 2017, the amount of wages and salaries in the enterprise sector increased by 9.5% in annual terms (against a growth of 7.1% a year before).

In the 1st half of 2017, the purchasing power of the average monthly gross wage and salary in the enterprise sector was by 3.0% higher than a year before (in the 1st quarter of 2017, respectively, the growth of 2.5% was recorded while in the 2nd quarter – of 3.5%).

In the 1st half of 2017, the average monthly nominal gross retirement and other pension from

the non-agricultural social security system was by 1.9% higher than a year before and amounted to PLN 2 119.49. The average monthly real gross retirement and other pension from the non-agricultural social security system was at the similar level to that recorded in the corresponding period of the previous year.

The average monthly nominal gross retirement and other pension of farmers, in the 1st half of 2017, amounted to PLN 1 195.24, i.e. by 1.0% more than in the corresponding period of the previous year. Its purchasing power decreased, in annual terms, by 0.9% .

In January–June 2017, the gross amount of unemployment benefits (excluding social security contributions) amounted to PLN 844.0 mln, i.e. by 14.0% less than in the corresponding period of the previous year.

The total amount of payments from pre-retirement benefits and allowances in the period of January–June 2017 amounted to PLN 1 094.9 mln and it was by 4.2% lower than in the corresponding period of the previous year.

In the 1st half of 2017, the average number of people receiving benefits from the Bridging Pension Fund amounted to 20.8 thous. (against 16.4 thous. a year before) and the total amount of payments from this fund amounted to PLN 314.5 mln (by 29.9% more than in the corresponding period of the previous year).

The number of retirees and pensioners, and average monthly gross retirement and other pension

Specification	2016			2017		
	Q1	Q2	Q1–Q2	Q1	Q2	
Average number of retirees and pensioners:						
in thousand	8 900.4	8 909.6	8 905.1	8 910.6	8 913.5	8 907.8
from non-agricultural social security system	7 699.5	7 713.9	7 706.7	7 730.6	7 730.3	7 730.9
of farmers	1 200.9	1 195.8	1 198.4	1 180.0	1 183.2	1 176.9
corresponding period of the previous year=100 ..	100.4	100.4	100.4	100.1	100.1	100.0
Average retirement and other pension:						
from non-agricultural social security system:						
in PLN	2 074.88	2 083.89	2 079.39	2 119.49	2 109.47	2 129.43
corresponding period of the previous year=100	102.7	101.6	102.2	101.9	101.7	102.2
of farmers:						
in PLN	1 180.88	1 184.86	1 182.86	1 195.24	1 188.16	1 202.34
corresponding period of the previous year=100	101.7	99.2	100.4	101.0	100.6	101.5

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Prices

In the 1st half of 2017, the prices of consumer goods and services were higher than in the previous year, when a decline was observed. Prices of goods and services associated with transport and food and non-alcoholic beverages increased significantly. In June of 2017, it was observed the lowest growth rate in consumer prices since the beginning of the year. Prices of food and non-alcoholic beverages and goods and services related to dwelling increased in a similar scale to the previous month. After considerable growth in previous months, the prices of goods and services related to transport determined at a level similar to that observed in the previous year. The drop in prices of clothing and footwear deepened slightly. In the 1st half of 2017, there was recorded, in annual terms, a growth in prices of sold production in industry and construction and assembly production (against a drop in a year before). In the 2nd quarter of 2017 the growth rate in producer prices in industry slowed, while in the construction increased slightly.

Prices in sold production of industry in the 1st half of 2017, were by 3.6% higher compared to the corresponding period of the previous year.

In June of 2017, a growth in prices of sold production in industry increased in annual terms by 1.8% (against 2.4% growth in May 2017).

In comparison with December 2016, prices of sold production in industry, in June 2017, were by 0.9% lower (against an increase of 0,5% a year before). The decrease in prices was observed in sections: mining and quarrying (of 6.8%) and manufacturing (of 0.8%). However, a growth in prices was observed in following

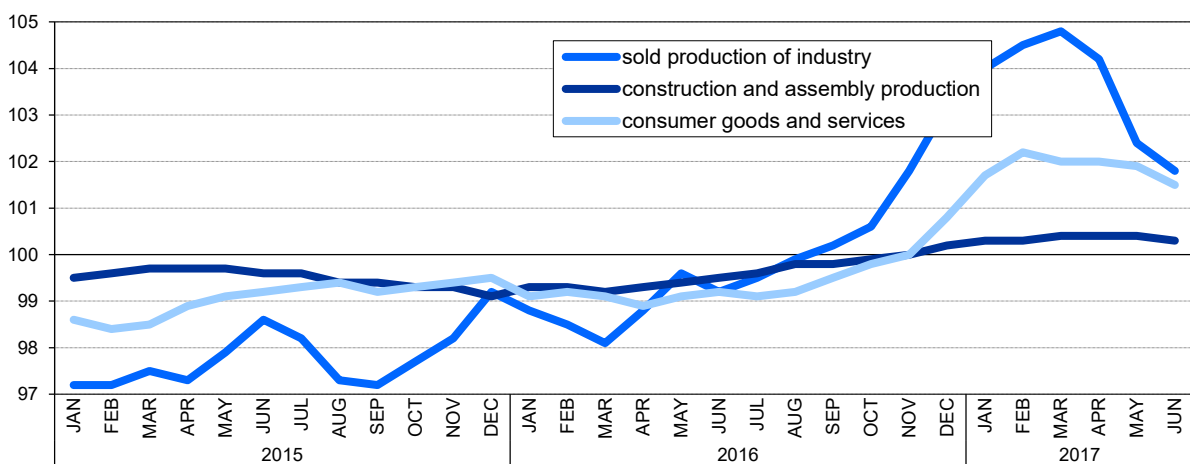
sections: electricity, gas, steam and air conditioning supply (of 0.8%) and the water supply; sewerage, waste management and remediation activities (of 0.9%). Among divisions of manufacturing the most fell the prices of manufacture of, among others, coke and refined petroleum products (by 10.4%), other transport equipment (by 3.8%) and motor vehicles, trailers and semi-trailers (by 2.8%). Prices lower than in December in the previous year were also noted in manufacture of rubber and plastics products (by 1.9%), electrical equipment (by 1.3%) and prices in the manufacture of machinery and equipment and furniture (by 1.2% each). The increase was recorded in prices in the manufacture of, among others, food products (by 1.8%), chemicals and chemical products (by 2.3%), beverages (by 2.4%) and manufacture of basic metals (by 3.3%).

Prices in construction and assembly production, in the 1st half of 2017, were higher by 0.3% compared to the corresponding period of the previous year.

In June 2017, price increase, in annual terms, amounted to 0.3%. Compared to December of the previous year, prices remained unchanged.

Price indices

corresponding period of the previous year=100



The prices of sold production of industry and construction and assembly production

Specification	2016			2017				
	Q1	Q2	JAN–JUN	Q1	Q2	JAN–JUN	JUNE	
	corresponding period of the previous year=100							DEC 2016=100
Prices of sold production of industry	98.5	99.2	98.9	104.4	102.8	103.6	101.8	99.1
mining and quarrying	91.0	92.0	91.5	129.3	123.1	126.2	118.6	93.2
manufacturing	98.9	99.7	99.3.1	103.8	102.1	100.3	101.2	99.2
electricity, gas, steam and air conditioning supply	97.9	97.2	97.6	99.7	100.7	100.2	100.4	100.8
water supply; sewerage, waste management and remediation activities	100.8	101.0	100.9	103.3	102.8	103.1	102.7	100.9
Prices of construction and assembly production	99.3	99.4	99.3	100.3	100.4	100.3	100.3	100.0

In the 1st half of 2017, prices of consumer goods and services were by 1.9% higher than in the corresponding period of the previous year (against a drop of 0.9% in the previous year, respectively), of which the prices of consumer goods rose by 1.8%, and prices of consumer services - by 2.2%.

In June 2017, an increase in prices of consumer goods and services in annual terms amounted to 1.5% (against 1.9% a month before).

Prices of consumer goods and services, in June 2017, were by 0,8% higher than in December of the previous year (against an increase of 0.1% a year before). A rise was recorded in prices of food and non-alcoholic beverages (of 3.2%), goods and services related to recreation and culture (of 1.6%), goods and services in the scope of communication and restaurants and hotels (of 1.5%) and goods and services related to the dwelling (of 1.0%). Consumers paid more than in December of previous year, for goods and services related to health (by 0.9%), alcoholic beverages and tobacco (by 0.4%), as well as goods and services related to education (by 0, 1%). Prices' drop concerned clothing and footwear (of 2,8%), and goods and services related to transport (of 5,1%). The largest influence on price index of consumer goods and services was exerted by a growth in the prices of food and non-alcoholic beverages and services related to dwelling, which increased the index in total by 0.77 percentage point and by 0.25 percentage point, respectively. Decline in prices of goods and services in transport as well as in clothing and footwear, decreased the index in total by 0.46 percentage point. and 0.16percentage point., respectively.

The increase in prices of food and non-alcoholic beverages compared to December of the previous year, in June 2017, amounted to 3.2%, while – by 3.3% and non-alcoholic beverages - by 1.7%. More

than a year ago, consumers paid, among others, for fruits – by 17.1%, meat and oils and fats (by 3.6% each), and for rice (by 2.0%). The prices of articles in the group "milk, cheese and eggs" also increased (on average by 1.9%). There was recorded as well an increase in prices of bread (of 1.6%), fish and seafood (of 1.5%), wheat flours and pasta products and couscous (of 1.0% each) either. However, sugar prices decreased (by 0,3%).

A drop in prices of clothing and shoes maintained (of 3.5% and 1.2%, respectively).

Compared to December 2016, prices of dwelling increased by 1,0%. Charges for waste management were raised by 3.0%, water supply by 1.7% and the sewage collection – by 1.4%. More expensive were electricity, gas and other fuels (by 0.5%), of which electricity – by 2.2% and solid and liquid fuels – by 0.6%. Prices of gas fell (by 1.9%) and of heat energy (by 0.3%) as well. A growth in prices was observed for the furnishings, household equipment and routine household maintenance (by 0,4%).

Goods and services related to health were more expensive than in December 2016 (by 0,9%). Prices were rised for sanatorium services (by 18.6%), medical services (by 3,1%) and also dental (by 2,5%) and hospital services (by 1.2%). However, the prices of pharmaceutical products were lowered (by 0.5%).

There was a decline in the prices of goods and services associated with transport, compared to December of the previous year (by 5,1%). There were observed decreases in prices of fuels and lubricants for personal transport equipment (on average of 7.3%, of which deepest decline occurred in prices of liquid petroleum gas of 15.7%, with a simultaneous drop in the price of diesel – 7.8% and petrol – of 5,8%). Consumers paid less for transport services (by 4.3%) and motor cars (by 2.6%).

Consumer goods and services prices

Specification	2016			2017				DEC 2016=100
	Q1	Q2	JAN- JUN	Q1	Q2	JAN- JUN	JUNE	
	corresponding period of the previous year =100							
T o t a l	99.1	99.1	99.1	102.0	101.8	101.9	101.5	100.8
Food and non-alcoholic beverages	100.4	100.8	100.6	103.4	103.4	103.4	103.7	103.2
Alcoholic beverages and tobacco	100.6	100.5	100.5	101.1	100.8	101.0	100.7	100.4
Clothing and footwear	95.8	95.9	95.9	94.5	94.7	94.6	94.6	97.2
Dwelling	99.4	99.1	99.3	101.1	101.5	101.3	101.6	101.0
Health	100.0	100.3	100.1	100.9	100.6	100.7	100.3	100.9
Transport	92.6	93.1	92.9	109.8	104.2	107.0	100.0	94.9
Communication	99.8	99.0	99.4	98.9	100.9	99.8	101.6	101.5
Recreation and culture	98.9	97.0	98.0	99.7	102.3	101.0	102.5	101.6
Education	100.8	100.8	100.8	100.8	100.9	100.9	100.9	100.1
Restaurants and hotels	101.2	101.3	101.2	101.9	102.0	101.9	102.1	100.5
Miscellaneous goods and services	100.4	101.3	100.9	103.3	102.6	103.0	102.1	100.8

Prices of goods and services for communication were by 1.5% higher than in December of the previous year. More expensive was, among others, telephone and telefax equipment (by 4.7%) and postal services (by 2.2%). Fees for Internet services fell (by 4,1%).

Prices of recreation and culture, in June 2017, were by 1.6% higher than in December 2016. It was more to pay for books (by 4.8%), for services in the package holiday (by 4.0%), tickets to cinemas, theatres and concerts halls (by 1.8%), and for newspapers and periodicals (by 1,7%). However,

the prices of the audio-visual, photographic and information processing equipment were lower (by 1.5%).

The increase in prices of consumer goods and services, calculated using the moving average method in the period from July 2016 – to June 2017 compared to the preceding twelve months, amounted to 0.8% (against an increase of 0.6% in the period from June 2016 to May 2017). Consumer prices according to the harmonized index of consumer prices (HICP)⁷ increased in the reference period by 0.8%.

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⁷ The harmonised index of consumer prices (HICP) is computed according to the unified methodology of the European Union. The basis for compiling the HICP for Poland constitutes an observation of the prices of representatives of consumer goods and services and the weight system based on the structure of individual consumption in the households sector (in 2017 – the structure of consumption expenditure of 2015 according to the December 2016 prices). The grouping of consumer goods and services is basis of the Classification of Individual Consumption by Purpose (ECOICOP).

Agriculture

In the 1st half of 2017, the average procurement prices of most basic agricultural products on the agricultural market were higher than in the corresponding period of the previous year. Lower prices concerned only potatoes and poultry for slaughter.

The procurement of basic cereals (including mixed cereal, excluding sowing seed) in the period of July 2016 – June 2017 amounted to 9.3 mln tonnes and was by 1.5% lower than in the previous farming year; of which the procurement of wheat was by 5.7% higher and that of rye – by 14.0% lower. The procurement of basic cereals constituted 36.7% of the production compared to 38.1% in the corresponding period of the previous year.

In the period of January–June 2017, with the increase in the domestic supply of poultry and

cattle for slaughter (in annual terms, of 1.9% and of 4.6%, respectively), the procurement of animals for slaughter (in wbc) reached 1 677.1 thous. tonnes and was by 1.1% higher than in the corresponding period of the previous year.

In the period of January–June 2017, the average procurement prices of cereals were at a higher level than the year before; both the price of wheat (by 7.2%) and of rye (by 5.2%) increased.

With a greater supply of potatoes from last year's crops (by 22.3%), their average prices on both markets were lower than in the corresponding period of the previous year. The average procurement price of potatoes fell by 1.3% and on marketplaces – by 18.3%.

The procurement of cereal^a and basic livestock products^a

Specification	JUL 2016 – JUN 2017			JAN–JUN 2017				milk
	cereal grain ^b	wheat	rye	animals for slaughter ^c	cattle (including calves)	pigs	poultry	
Procurement:								
in thous. tonnes	9 292.2	7 005.7	682.5	1 677.1	105.9	578.3	991.4	5 693.6 ^d
corresponding period of previous year=100 ..	98.5	105.7	86.0	101.1	104.6	99.3	101.9	103.7
Share in production of 2016 in %	36.7	64.7	31.0	x	x	x	x	x

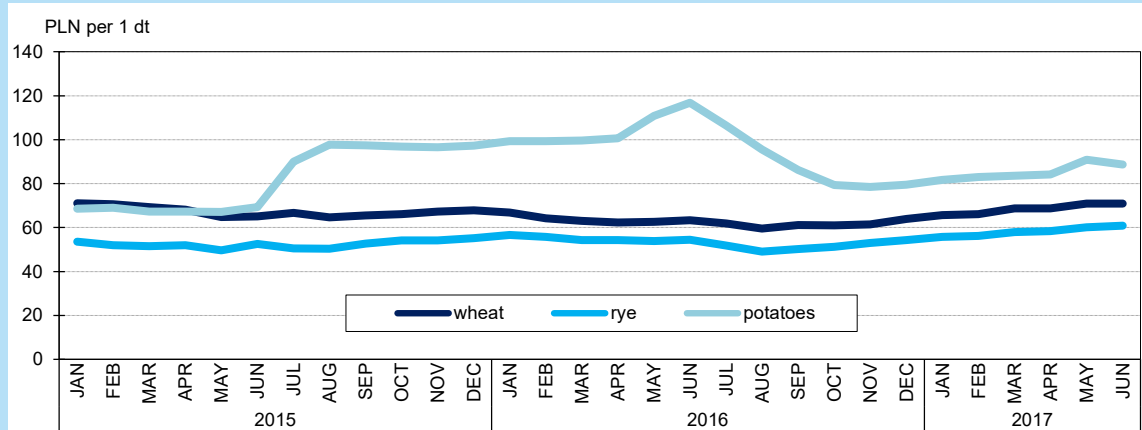
a In the period of January–June 2017 excluding procurement effectuated by natural persons. b Basic (wheat, rye, barley, oats, triticale) including mixed cereals, excluding sowing seed. c Including cattle, calves, pigs, sheep, horses and poultry. In terms of meat, including fats, in post-slaughter warm weight. d In million litres.

Prices of basic agricultural products

	Procurement prices		Marketplace prices	
	JAN–JUN 2017			
	PLN	JAN–JUN 2016=100	PLN	JAN–JUN 2016=100
Wheat for 1 dt ^a	68.24	107.2	77.51	102.0
Rye for 1 dt ^a	57.89	105.2	61.63	103.3
Potatoes ^b for 1 dt	62.78	98.7	85.33	81.7
Animals for slaughter for 1 kg life weight				
of which:				
cattle ^c (excluding calves)	6.24	105.1	6.97	106.3
of which young cattle	6.43	103.6	7.32	104.9
pigs	5.20	121.4	5.01	116.0
poultry	3.58	97.1	..	x
Piglet for breeding for 1 head	x	178.45	121.8
Milk for 1 hl	131.93	125.9	..	x

a In procurement, excluding sowing seed. b At marketplaces – late edible. c At marketplaces the average weighted price of cattle for slaughter was calculated basing on the procurement structure of the number of young cattle and cows for slaughter.

Average procurement prices of cereals and marketplace prices of potatoes



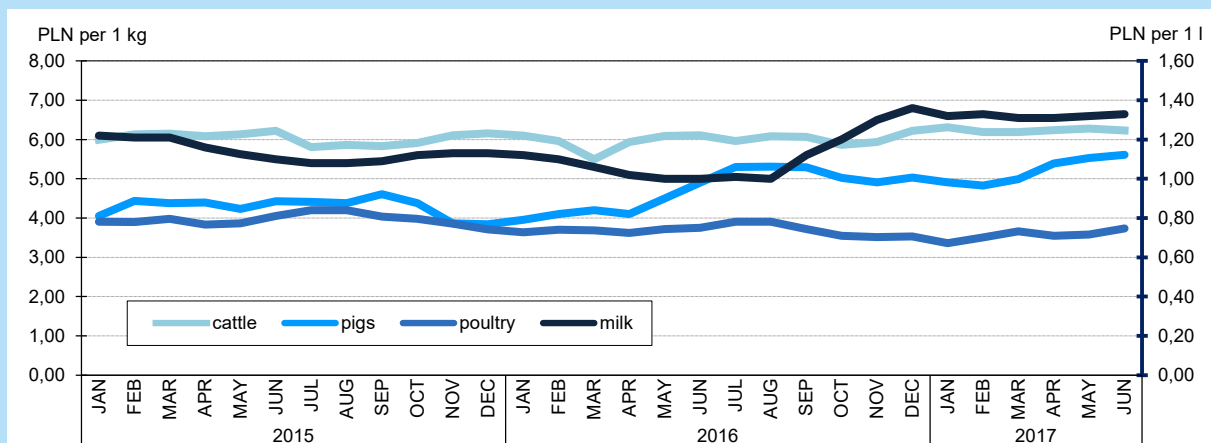
In the period of January–June 2017, at a slightly lower than a year before the domestic supply of pigs for slaughter (by 0.7%), prices on both markets showed a noticeable growth in annual terms. In the procurement it was paid by 21.4% more for pigs for slaughter than in the corresponding period of the previous year, and in the marketplaces turnover – by 16.0% more. Changes on marketplace prices of pigs and cereals caused that a low profitability of fattening pigs was improved. In June 2017, the ratio of procurement prices of pigs for slaughter to marketplace prices of rye amounted to 8.7 (against 8.2 a year before). Prices of piglets on marketplaces turnover also showed an upward trend. The average price for 1 piglet for further breeding, in the 1st half of 2017, was by 21.8% higher in annual terms.

At very high domestic supply of poultry for slaughter, in the 1st half of 2017, its average prices were lower (by 2.9%) than in the corresponding period of the previous year.

The cattle market seasonal price changes, in the period of January–June 2017, were insignificant. Compared to the 1st half of 2016, the average prices of cattle for slaughter and young cattle for slaughter worked out at a higher level; in procurement respectively by 5.1% and by 3.6%, and on marketplaces by 6.3% and 4.9%, respectively.

Since the beginning of 2017, it was procured 5 693.6 mln litres of milk in total, i.e. by 3.7% more than in the previous year. The average price of milk was by 25.9% higher than a year before.

Average procurement prices of animals for slaughter and milk



In the period of January–June 2017, compared to the corresponding period of the previous year, on the marketplaces, the average price of dairy cow (approx. PLN 2 995) was by 4.7% lower and the one-year heifers (approx. PLN 2 250) by 14.7% higher.

In the 2nd quarter of 2017, compared to the previous quarter, there was recorded

a price relations improvement of selected means of production to the procurement prices of cereals and pigs. The relations of diesel retail prices to procurement prices of cattle and milk improved at slight extent, while the relations of retail price of tractor to the procurement prices of these agricultural products worsened slightly.

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Industry

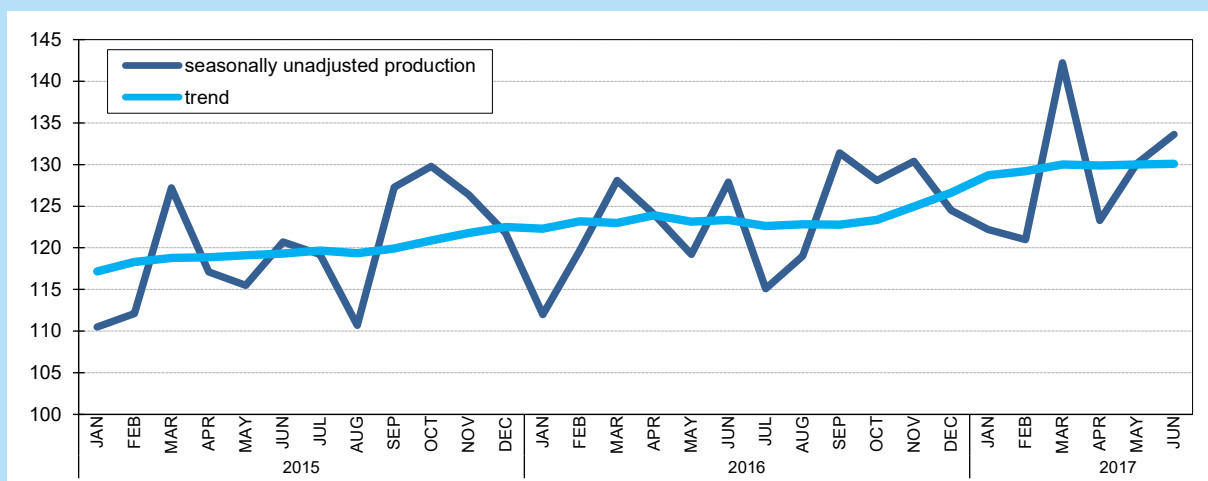
In the 1st half of 2017, sold production of industry⁸ was by 5.7% higher compared to corresponding period of the previous year. In the 2nd quarter of 2017, the growth rate was slower than in the 1st quarter (4.2% against 7.3%).

The sold production higher than in the period of January–June 2016 was recorded in manufacturing – by 6.2%, electricity, gas, steam and air conditioning supply – by 5.3% and in water supply; sewerage, waste management and remediation activities – by 4.3%. A drop in production maintained in mining and quarrying – (by 4.5%).

In the 1st half of 2017, in all main industrial groupings, sales was higher than a year before. Production of capital goods increased – by 7.8%, non-durable consumer goods – by 6.5%, intermediate goods – by 6.3%, durable consumer goods – by 5.1% and energy – by 0.5%.

In the period of January–June 2017, the labour productivity in the industry, measured by sold production per one paid employee, was by 2.5% higher than a year before, with the average paid employment by 3.1% higher and with an increase of 5.0% in the average gross wage and salary.

Sold production of industry
at constant prices; monthly average of 2010=100



Sold production of industry
the dynamics (at constant prices) and the structure (at current prices)

Specification	2016				2017			2016	
	Q1	Q2	Q3	Q4	Q1	Q2	JAN–JUN		
	corresponding period of the previous year=100							structure in %	
Total	103.0	105.7	102.5	101.5	107.3	104.2	105.7	100.0	100.0
Mining and quarrying	94.6	91.8	100.1	92.8	96.7	94.4	95.5	3.5	3.2
Manufacturing	103.8	107.3	103.3	102.2	108.1	104.4	106.2	87.0	87.0
Electricity, gas, steam and air conditioning supply	98.7	96.1	92.7	97.5	103.7	107.6	105.3	7.2	7.5
Water supply; sewerage, waste management and remediation activities	104.4	101.1	103.5	102.9	104.8	103.8	104.3	2.3	2.3

⁸ At constant prices; in enterprises employing more 9 persons.

In the 1st half of 2017, an increase in sold production of industry, compared to the corresponding period of the previous year was recorded in 29 (from among 34) divisions of industry, among others in the manufacture of: metal products (by 10.0%) and basic metals (by 9.6%).

However, in comparison with to the period of January–June 2016, decrease was recorded, among

others, in manufacture of coke and refined petroleum products (by 2.7%).

Out of 282 industrial products and groups of industrial products, observed in the period of six months of 2017 in 180 of them the sold production was higher than a year before.

Sold production of industry by selected divisions
the dynamics (at constant prices) and the structure (at current prices)

Specification	2016				2017			2016	
	Q1	Q2	Q3	Q4	Q1	Q2	JAN–JUN		
	corresponding period of the previous year=100						structure in %		
Industry in total – divisions:	103.0	105.7	102.5	101.5	107.3	104.2	105.7	100.0	100.0
mining of coal and lignite	98.7	87.9	102.6	90.1	92.1	88.6	90.3	1.7	1.5
manufacture of food products	102.6	110.0	104.9	108.2	108.1	105.7	106.9	16.3	16.0
manufacture of beverages	102.1	99.3	95.3	90.3	98.6	105.4	102.4	1.5	1.6
manufacture of wearing apparel .	107.4	112.6	101.2	96.1	104.1	96.8	100.4	0.6	0.6
manufacture of products of wood, cork, straw and wicker	102.8	105.0	104.9	100.2	108.4	103.2	105.7	2.6	2.7
manufacture of paper and paper products	102.7	107.0	102.3	102.2	106.0	103.2	104.6	3.0	3.1
manufacture of coke and refined petroleum products	96.4	92.8	96.5	95.4	97.2	97.4	97.3	4.7	4.2
manufacture of chemicals and chemical products	102.6	104.9	98.3	102.7	106.5	101.7	104.1	4.7	4.7
manufacture of pharmaceutical products	100.5	110.4	97.4	94.9	106.3	95.0	100.7	1.0	1.1
manufacture of rubber and plastic products	108.0	109.0	106.3	103.9	110.3	104.9	107.5	6.6	6.6
manufacture of other non-metallic mineral products	104.4	107.9	107.1	105.2	110.7	105.3	107.7	3.7	3.8
manufacture of basic metals	98.8	100.3	99.1	104.1	111.1	108.1	109.6	4.2	3.7
manufacture of metal products ...	107.6	112.2	108.6	106.7	112.4	107.9	110.0	6.8	6.7
manufacture of computer, electronic and optical products	107.0	111.5	100.0	109.1	104.6	104.1	104.3	2.8	2.9
manufacture of electrical equipment	105.6	100.6	105.9	97.4	101.9	104.1	103.0	4.0	4.2
manufacture of machinery and equipment n.e.c.	96.8	104.6	109.0	104.0	113.8	112.9	113.3	3.3	3.3
manufacture of motor vehicles, trailers and semi-trailers	105.7	113.8	103.5	105.8	112.1	103.4	107.6	11.7	11.9
manufacture of other transport equipment	106.5	112.4	103.2	70.8	114.7	101.2	107.5	1.5	1.5
manufacture of furniture	111.4	115.6	115.3	107.0	109.2	104.3	106.8	3.1	3.2

In the 1st half of 2017, industrial enterprises⁹ achieved financial results better than a year before. The financial result from sales of products, goods and materials increased (by 8.4 % to PLN 46.3 mln. Also gross profit (by 16.0% to PLN 56.4 bn) and net (by 14.3% to PLN 48.7 bn) improved. The net financial result grew, among others, in electricity, gas, steam and air conditioning supply by 28.9% and in manufacturing – by 0.6%, as well as in mining and quarrying (to PLN 2.7 bn with minus PLN 0.2 bn). It was worse than a year ago in the section of water supply; sewerage, waste management and remediation activities – by 4.2%. Among the manufacturing sections, net financial result higher than the year ago was achieved, among others, in the manufacture of machinery and equipment n.e.c., of basic metals, of coke and refined petroleum products and of motor vehicles, trailers and semi-trailers. The net financial result weaker than in the 1st half of 2016 was observed, among others, in manufacture of chemicals and chemical products, of food products, of rubber and plastic products, of electrical equipment and

of furniture. Sales profitability rate in industry slightly deteriorated in comparison with the 1st half of 2016 (from 6.7% to 6.6%), while turnover profitability rates improved: gross (from 7.3% to 7.8%) and net (from 6.4% to 6.7%). The cost level indicator decreased from 92.7% a year before to 92.2%. The financial liquidity indicators were lower than a year ago – of the first degree (33.6% compared to 36.2% the year ago) and of the second degree (103.4% compared to 102.7%). The share of enterprises showing net profit in the total number of industrial enterprises decreased from 80.4% to 77.9%, but the share of their revenues in revenues in total was slightly higher (87.9% compared to 87.3%).

Investment outlays¹⁰ in the industry were by 3.6% lower in the 1st half of 2017 than the year before (compared to a drop of 2.6% in the corresponding period of the previous year). Outlays decreased in all sections, except for the manufacturing, where an increase of 5.8% was reported. In the industry in total, there were 0.2% more newly started investments and their estimated value was by 1.1% higher than in the 1st half of 2016.

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⁹ Data concern economic entities keeping accounting ledgers and employing 50 persons or more.

¹⁰ Data on investment outlays are provided in current prices.

Construction and Dwelling Construction

In the 1st half of 2017, construction and assembly production¹¹ performed domestically was by 7.6% higher compared to the corresponding period of the previous year (against a drop of 11.9% in the previous year).

In the 1st half of 2017, construction and assembly production was higher in annual terms in all divisions of construction, mostly in entities specialising in civil engineering – by 14.8%. In entities performing mainly specialised construction activities growth of 4.9% was recorded and in entities involved in the construction of buildings of 3.6%. Both sales of repair works – by 7.9% and investment – by 7.5% increased, compared to the 1st half of 2016.

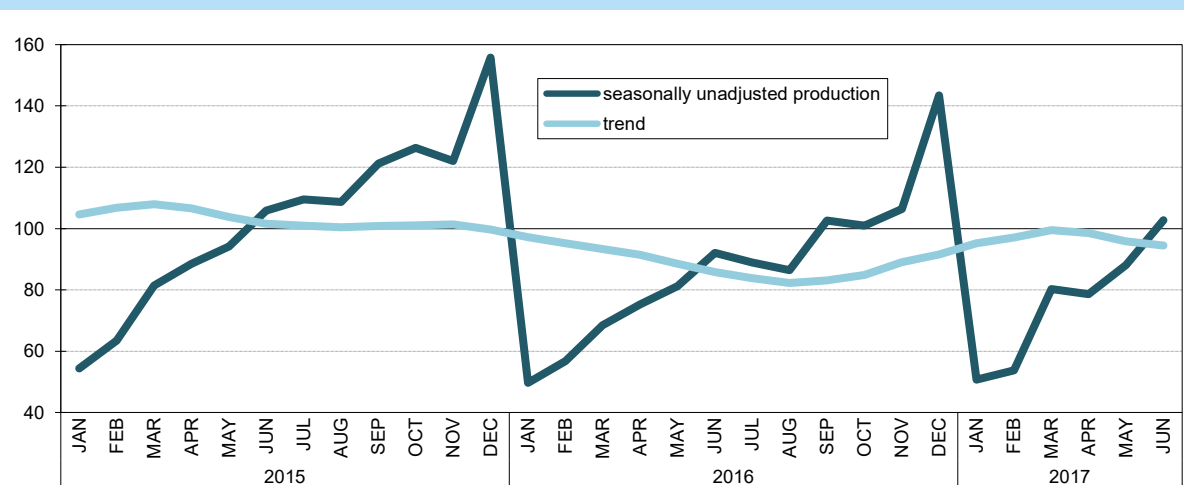
Among entities specialising in the construction of buildings, production increased both for entities

specialising in the construction of residential and non-residential buildings (the biggest group of this division) – by 3.2% and in enterprises involved dealing mainly with the development of building projects – by 7.9%.

In the division of works related to civil engineering, the greatest increase of production recorded by entities specialising in works related to the construction of roads and railways (by 29.7%). Slight increase was recorded in production in enterprises specialising in construction of other civil engineering projects (by 0.8%), while the entities dealing mainly with the construction of utility projects recorded decrease (by 8.4%).

Sales of construction and assembly production

at constant prices; monthly average of 2010=100



Construction and assembly production

the dynamics (at constant prices) and the structure (at current prices)

Specification	2016				2017		2016	
	JAN–MAR	JAN–JUN	JAN–SEP	JAN–DEC	JAN–MAR	JAN–JUN		
	corresponding period of the previous year=100						structure in %	
Total	86.7	88.1	102.0	102.8	103.9	107.6	100.0	100.0
construction works:								
investments	87.4	88.4	99.2	97.9	102.2	107.5	63.8	63.9
repairs	85.5	87.6	107.3	111.3	107.2	107.9	36.2	36.1
Construction of buildings	91.4	92.3	102.1	101.4	106.6	103.6	35.8	37.2
Civil engineering	79.3	83.0	100.9	104.2	102.0	114.8	34.6	32.6
Specialised construction activities	88.4	88.8	103.4	102.4	102.1	104.9	29.6	30.2

¹¹ At constant prices; in construction entities employing more than 9 persons.

The construction and assembly production by type of constructions

the structure (in current prices)

Types of constructions	Structure in %	
	JAN–JUN 2016	JAN–JUN 2017
T o t a l	100.0	100.0
Buildings in total	55.1	55.3
residential buildings	18.9	19.7
of which:		
one-dwelling buildings	2.0	2.2
two- and more dwelling buildings	15.9	16.1
non-residential buildings	36.2	35.6
of which:		
office buildings	4.3	4.4
wholesale and retail trade buildings	8.6	8.1
industrial buildings and warehouses	14.7	14.7
public entertainment, education, hospital or institutional care buildings	5.6	5.7
Civil engineering works	44.9	44.7
of which:		
highways, streets and roads	15.3	15.9
railways, suspension and elevated railways	2.9	3.6
bridges, elevated highways, tunnels and subways	2.2	3.4
harbours, waterways, dams and other waterworks	1.0	1.0
long-distance pipelines, long-distance communication and electricity power lines	6.8	5.2
local pipelines and cables	6.5	6.3
of which waste water treatment plants.....	0.7	0.5
complex constructions on industrial sites.....	8.6	7.5
sports and recreation structures.....	0.5	0.6
other civil engineering works n.e.c.	0.9	1.0

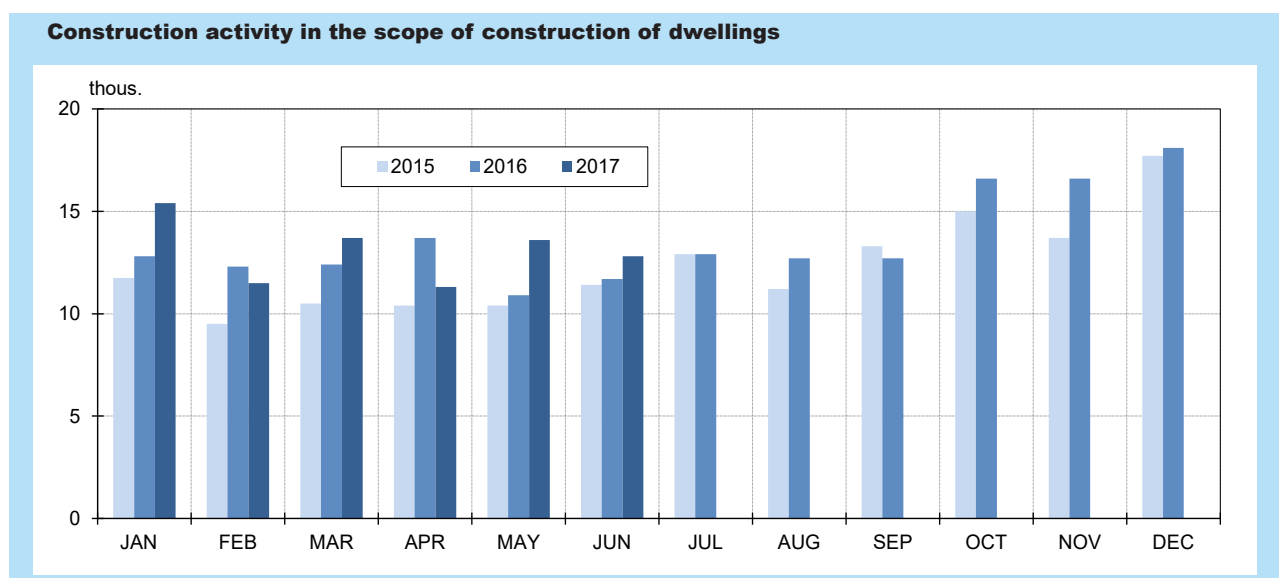
In the division specialised construction activities, the production has grown in entities specialising mainly in the building completion and finishing (by 25.8%). An increase was recorded also in other groups of this division, i.e. in enterprises specialising in demolition and site preparation (by 11.5%), other specialised construction activities (by 3.0%) and construction of electrical, plumbing and other construction installation activities (by 1.6%).

In the structure of construction and assembly production in total by type of construction in the 1st half of 2017, a slight increase, compared to the corresponding period of the previous year, was recorded in the share of buildings, including increased share of residential buildings and decreased share of non-residential buildings. The share of civil engineering works was slightly lower as compared to 2016.

In the 1st half of 2017, a financial situation of construction enterprises¹² was weaker than that observed in the corresponding period of the previous year. With higher than in the 1st half of 2016 revenues from sales of products, goods and materials, enterprises achieved lower

gross financial result (PLN 1.1 bn to PLN 2.6 bnn) and net financial result (PLN 0.8 bn to PLN 2.4 bn). Gross and net financial results decreased in all construction sections, most – in enterprises performing mainly specialised construction activities; in units specialising in civil engineering these results were negative. Sales profitability rate of construction enterprises in total was slightly higher than in the 1st half of the previous year and amounted to 2.0% (compared to 1.9% the year before). Turnover profitability rates were lower than a year before – gross (2.7% compared to 6.5%) and net (2.0% compared to 5.9%). The cost level indicator increased from 93.5% to 97.3%. Financial liquidity indicator of the first degree decreased (from 47.5% to 40.5%) and the indicator of the second degree – (from 109.5% to 108.6%). The share of enterprises showing net profit in the total number of construction enterprises surveyed was lesser than a year before (60.3% compared to 63.1%) and the share of revenues of these enterprises in the revenues from total activity of construction enterprises in total (73.2% compared to 76.4%).

¹² Data concern economic entities keeping accounting ledgers and employing 50 persons or more.



Construction enterprises, in the 1st half of 2017, incurred investment outlays¹³ by 4.8% higher than in the corresponding period of the previous year (compared to a drop of 10.3% in the preceding year). The number of newly started investments was lower than in the 1st half of 2016 (by 25.9%) and their estimated value (by 29.6%).

In the 1st half of 2017, more dwellings was completed than in the corresponding period of the previous year. The number of dwellings for which permits have been granted or which have been registered with a construction projects increased significantly, and there were also more dwellings in which construction has begun.

In the 1st half of 2017, 78.4 thous. dwellings were completed, i.e. by 6.1% more than in the corresponding period of the previous year (an increase of 15.3% was recorded a year before). A growth was observed in construction for sale or rent (of 7.6% to 37.5 thous. dwellings) and in private construction (of 6.6% to 39.4 thous.), and a decline – in the cooperative construction

(of 25.3% to 0.8 thous.). In other forms of construction, the number of completed dwellings was lower than in the 1st half of 2016: in municipal construction (436 against 494), public building society (199 against 424), company construction (20 against 48).

Average useful floor area of 1 dwelling completed in the period of January–June 2017 amounted to 96.2 m² and was by 1.1 m² smaller than a year before.

The number of dwellings for which permits have been granted or which have been registered with a construction projects amounted to 130.4 thous. in the 1st half of 2017 and it was by 32.9% higher than in the previous year (an increase of 13.5%, respectively). The number of dwellings in which construction has begun amounted 106.0 thous. and it increased in annual terms by 22.8% (against the growth of 7.5% in the previous year).

At the end of June 2017, 758.9 thous. dwellings were under construction, i.e. by 3.5% more than a year before.

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¹³ Data on investment outlays are provided in current prices.

Domestic Market

In the 1st half of 2017, the retail sales¹⁴ were by 6.9% higher than a year before. In the 2nd quarter of 2017, the sales dynamics were slightly slower than in the 1st (increase of 6.7% compared to 7.1%).

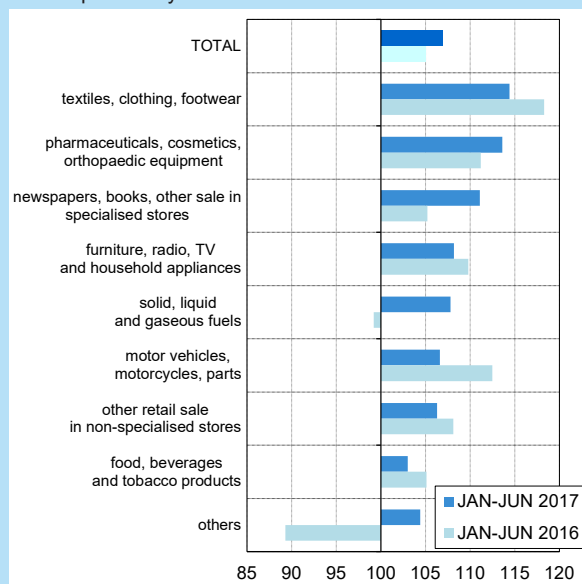
The sales in all groups was higher than in the 1st quarter of 2016. Among groups with a substantial share in retail sales in total, a significant increase was observed in units dealing with trading in solid, liquid and gaseous fuels (of 7.8%), in motor vehicles, motorcycles, parts (of 6.6%) and in other retail sales in non-specialised stores (of 6.3%). An growth in sales was also observed in the following groups: other (of 4.4%) and food, beverages and tobacco products (of 3.0%).

Wholesale¹⁵ in trade enterprises, in the 1st half of 2017, increased by 14.1% in annual terms, of which in wholesale enterprises it increased by 13.1% (compared to a growth of 4.8% and of 1.8% a year before, respectively). A significantly higher wholesale than in the corresponding period of 2016 was observed in the following groups: food (by 24.%) and non-agricultural intermediate products, waste and scrap (by 20.4%).

Sales were lower than a year earlier in the alcoholic and non-alcoholic beverages group (by 6.3% compared to the increase of 27.5% a year before).

Retail sales of goods by selected product groups

at constant prices; corresponding period of the previous year=100



Retail sales

the dynamics (at constant prices) and the structure (at current prices)

Specification	2016					2017			2016	
	JAN-JUN	Q1	Q2	Q3	Q4	Q1	Q2	JAN-JUN		
	corresponding period of the previous year=100								structure in %	
T o t a l ^a	105.0	104.4	105.7	105.9	106.5	107.1	106.7	106.9	100.0	100.0
of which:										
Motor vehicles, motorcycles, parts	112.5	112.2	112.8	106.3	104.6	109.3	103.8	106.6	10.3	10.7
Solid, liquid and gaseous fuels	99.2	97.5	100.7	104.4	105.8	111.1	105.3	107.8	14.9	13.7
Food beverages and tobacco products ...	105.1	105.8	104.5	104.5	110.5	99.0	106.7	103.0	26.8	27.4
Other retail sale in non-specialised stores	108.1	107.3	109.0	109.5	98.4	105.6	106.9	106.3	11.4	11.8
Pharmaceuticals, cosmetics, orthopaedic equipment	111.2	109.7	112.8	114.1	115.2	113.6	113.5	113.6	6.5	6.2
Textiles, clothing, footwear	118.3	114.4	121.4	111.1	118.0	117.4	112.0	114.4	6.3	6.3
Furniture, radio, TV and household appliances	109.8	106.9	112.6	108.7	107.8	110.4	106.3	108.2	7.8	7.8
Newspapers, books, other sale in specialised stores	105.2	103.9	106.5	109.8	106.9	114.0	108.5	111.1	5.3	5.2
Other	89.3	89.4	89.0	96.6	96.0	106.7	102.6	104.4	9.6	9.9

a Groups of enterprises were created on the basis of the Polish Classification of Activities – PKD 2007. A given enterprise is included to a specific category by predominating kind of activity and according to its present organisational status. The recorded changes of rise or fall of the volume of retail sales in particular groups of enterprises activity may result from a change in the predominating kind of activity and organisational changes (e.g. a merger of enterprises). This does not have impact on the dynamics of the total retail sales.

¹⁴ At constant prices; in trade and non-trade enterprises employing more than 9 persons.

¹⁵ At current prices; in trade enterprises employing more than 9 persons.

In the 1st half of 2017, financial results recorded by enterprises¹⁶ engaged in trade; repair of motor vehicles were better than a year before. The financial result from sales of products, goods and materials increased by 6.9% (to PLN 9.7 bn), gross financial result – by 2.2% (to PLN 9.5 bn), and net – by 0.6% (to PLN 7.8 bn). Sales profitability rate slightly deteriorated (from 2.4% in the previous year to 2.3%), as well as gross turnover profitability rate (from 2.5% to 2.3%) and the net turnover profitability rate (from 2.1% to 1.9%). The cost level indicator increased from 97.5% to 97.7%. Financial liquidity indicators increased: of the first degree – from 21.3% to 22.3% and of the second degree – from 75.5%

to 77.5%. The share of enterprises showing net profit in the total number of enterprises surveyed grew insignificantly (from 72.1% compared to 72.4%) and the share of revenues of these enterprises in the revenues from total activity declined marginally (from 76.3% compared to 76.2%).

Investment outlays¹⁷ carried out by entities operating in the field of trade; repair of motor vehicles, in the 1st half of 2017, were by 9.7% higher than a year before (after growth of 0.2% in the corresponding period of the previous year). The number of the newly started investments increased (by 13.8%) and their estimated value (by 10.9%).

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¹⁶ Data concern economic entities keeping accounting ledgers and employing 50 persons or more.

¹⁷ Data on investment outlays are provided in current prices.

Transport. Post and Telecommunications¹⁸

In the 1st half of 2017, sales of products and services¹⁹ in transport entities in total²⁰ were by 11.9% higher compared to the corresponding period of 2016 (against an increase of 5.3% the year before). In the 2nd quarter of 2017, sales dynamics were slightly slower in comparison with that in the 1st quarter (growth of 10.3% against 13.9%).

Among groups with a high share in total transport, in the 1st half of 2017, the sales increased to the greatest extent in road transport (by 12.0%), warehousing and support activities for transportation (by 11.6%) and railway transport (by 11.3%).

260.3 mln tonnes of goods were transported in total, i.e. by 8.8% more compared to the year before. The extent of transport in most of its types was increased with the exception of pipeline transport.

The mass of goods transported by railway transport amounted to 114.0 mln tonnes, i.e. by 9.5% more than in the previous year. Compared to the period of January–June 2016, the volume of national transport was greater (by 10.9%). In international transport, mass of goods was by 6.6% higher compared to the one quoted the year before, of which an increase in transport of the mass of the transit goods (by 44.1%) as well as imported goods (by 10.3%), with decrease of transport of exported goods (by 3.8%).

In the 1st half of 2017, hire and reward road transport carried 116.5 mln tonnes of goods, (i.e. by 11.7% more than the year before).

The pipeline transport distributed 24.0 mln tonnes of crude petroleum and petroleum products (by 7.7% less compared to 2016).

The mass of goods transported by maritime transport rose by 12.3% in annual terms (up to 3.7 mln tonnes).

From the beginning of 2017, 37.1 mln tonnes of goods were loaded and unloaded in the seaports, i.e. by 4.4% more compared to the year before. A growth of mass loaded and unloaded was recorded in liquid bulk goods – of 27.6% (including petroleum – of 20.7%), other general cargo – of 8.0% and ro-ro goods – of 1.7%. A decrease was recorded in dry bulk loads – of 5.4% (including loading and unloading of coal and coke – of 17.5%) and containers – of 2.8%.

The increase in annual terms was noted in mass of transshipment in most sea ports, except for Gdansk, where slightly decrease was recorded (by 0.1% up to 15.3 mln tonnes). In Świnoujście, transshipment weight rose by 14.8% (up to 7.2 mln tonnes), in Gdynia – by 6.1% (up to 9.2 mln tonnes), in Police – by 6.0% (up to 1.0 mln tonnes) and in Szczecin – by 1.7% (up to 4.3 mln tonnes).

Transport of goods

Specification	JAN–JUN 2017		
	in mln tonnes	increase (+)/decrease (-) in % in comparison to the period of:	
		JAN–JUN 2015	JAN–JUN 2016
Total	260.3	+11.9	+8.8
of which:			
Railway transport	114.0	+7.6	+9.5
Hire or reward road transport ^a	116.9	+22.1	+12.0
Pipeline transport	24.0	-9.6	-7.7
Maritime transport.....	3.7	+26.2	+12.3

^a In transport entities employing more than 9 persons. The share of the hire or reward road transport in the total hire or reward transport amounts to over 25%.

¹⁸ Previously, this information was presented under *Communications*. Based on the regulations of 22 December 2015 amending the Law on government administration departments and certain other laws (Journal of Laws 2015, item 2281), the name *Post and telecommunications* was introduced.

¹⁹ Including revenues from transporting loads, passengers, baggage and mail, trans-shipping, forwarding, storage and warehousing of freight and other services related to transport servicing.

²⁰ At constant prices; in transport entities employing more than 9 persons.

In the period of January–June 2017, 328.5 mln passengers were carried by means of public transport, i.e. by 3.1% less compared to year before. A decrease in the road transport of passengers was recorded (by 9.2% up to 171.0 mln persons). A growth in air transport of passengers was noted (by 21.1% up to 5.6 mln persons) and in railway transport (by 4.1% up to 151.4 mln persons).

In the 1st half of 2017, sales of postal and telecommunications products and services in total²¹ (including revenues from postal telecommunication services) were by 4.1% higher, compared to the year before (in the corresponding period of 2016 – increase of 3.4%). The sales of telecommunications services were much higher compared to postal and courier services.

At the end of June of 2017, the number of subscribers and users (pre-paid services) of mobile telephony reached the level of 51.7 mln and was by 9.6% lower compared to the previous year (and by 5.7% lower in comparison with the one quoted at the end of December of 2016). There were 134.5 subscribers and users per 100 inhabitants (against 148.8, the year before and 142.5 at the end of December of 2016).

The number of telephone main lines²² in the public wire telecommunications network amounted to approx. 4.6 mln and was by approx. 3.1% lower compared to the end of December of 2016. The subscribers density ratio, measured by the number of main connections per 100 inhabitants reached 12.0 (against 12.4 at the end of December of 2016). The number of ISDN connections²³,

at the end of June 2017, amounted to approx. 699 thous. (of which approx. 92% installed in cities) and was by approx. 1.3% lower than at the end of December of 2016.

In the 1st half of 2017, financial results of enterprises²⁴ in transportation and storage were higher than a year before, with the exception of financial result from sales of products, goods and materials (which decreased by 13.7% to PLN 1.7 bn). Gross financial result increased by 7.8% to PLN 3.0 bn) and net financial result by 3.2% to PLN 2.4 bn). Most of economic and financial relations deteriorated. Sales profitability rate decreased to 2.9% (from 3.8%), gross turnover profitability rate to 4.8% (from 5.1%) and the net turnover profitability ratio to 3.9% (from 4.3%). The cost level indicator increased to 95.2% from 94.9% a year before. Financial liquidity indicator of the first degree decreased (from 77.4% to 77.0%) and the indicator of the second degree – (from 147.3% to 149.8%). The share of enterprises showing net profit in the total number of enterprises declined (from 78.3% compared to 71.8%) and the share of revenues of these enterprises in the revenues from total activity of all surveyed entities grew (from 74.5% compared to 81.3%).

Investment outlays²⁵ in transportation and storage, in the 1st half of 2017, were by 3.6% higher than a year before (when a decline of 37.6% was recorded). The number of newly started investments by those entities decreased by 4.5% and their estimated value was about 8 times higher than a year before.

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²¹ At constant prices; in entities employing more than 9 persons.

²² Standard main connections (subscribers of wired telephony) increased by the number of ISDN connections.

²³ ISDN – digital telephone network with the integration of services, permitting the use of the same network to transfer voice, image, fax, data.

²⁴ Data concern economic entities keeping accounting ledgers and employing 50 persons or more.

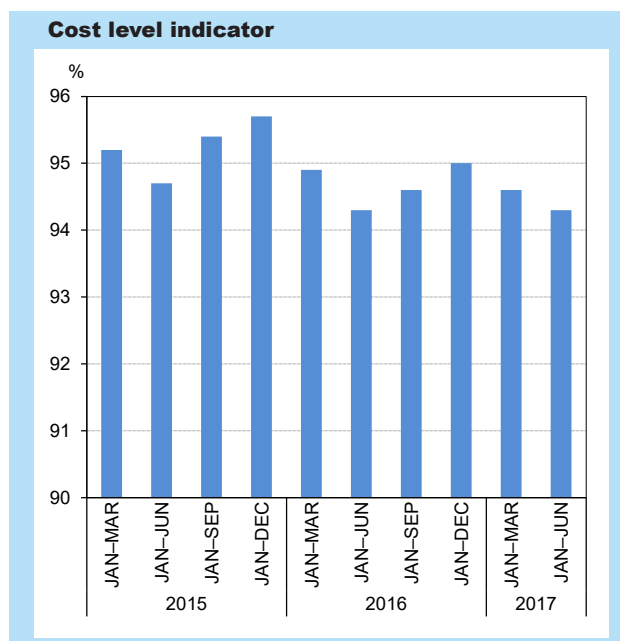
²⁵ Data on investment outlays are provided in current prices.

Financial Results of Non-financial Enterprises

The financial results of the surveyed enterprises²⁶ in the 1st half of 2017 were better than those achieved in the corresponding period of the previous year. Basic economic and financial indicators were at a similar level to that recorded a year before. In the total number of surveyed enterprises, the share of enterprises reporting net profit decreased. Revenues from export sales and financial results recorded by exporters were higher than in the 1st half of 2016. Basic economic and financial relations achieved by the exporters were slightly weaker than a year before, but more favourable than those recorded for all entities.

Improvement of financial results and basic economic and financial relations observed, among others, in sections – mining and quarrying as well as in electricity, gas, steam and air conditioning supply.

Revenues from total activity and cost of obtaining them, in the 1st half of 2017, increased by 9.7%, and as a result, the cost level indicator did not change and amounted to 94.3%. Net revenues from sales of products, goods and materials increased by 9.6%, they grew among others in manufacturing, trade; repair of motor vehicles, transportation and storage, mining and quarrying, construction and information and communication. Much lower than a year ago, net revenues from sales of products, goods and



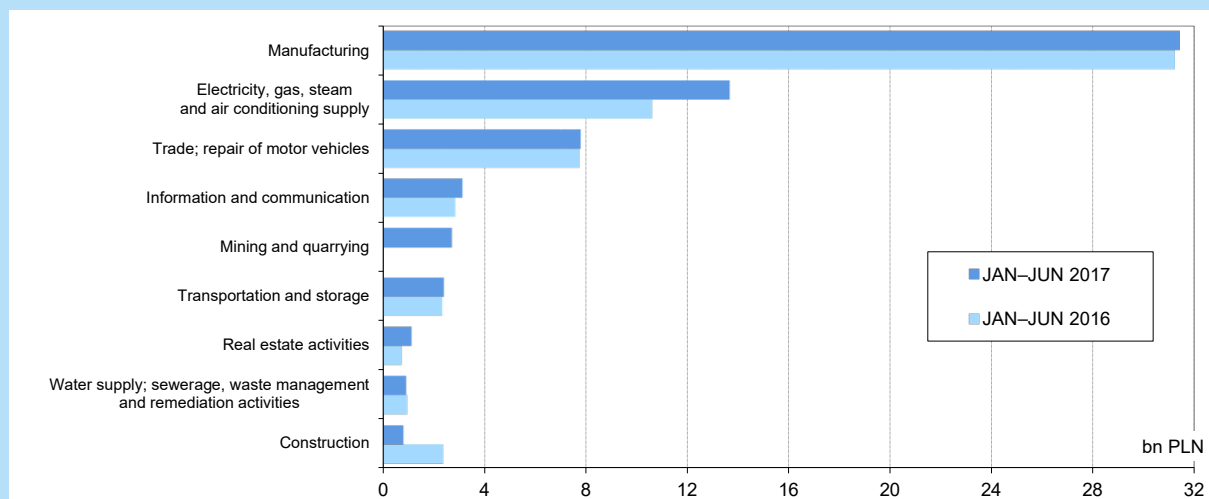
materials were in professional, scientific and technical activities.

The financial result from sales of products, goods and materials was by 5.4% higher than in the 1st half of 2016 and amounted to PLN 64 326.9 mln. The result on financial operations increased about twice (up to PLN 8 422.3 mln). The result on other operating activities improved slightly (by PLN 70.9 mln to PLN 6 003.7 mln).

Revenues, costs and financial results of non-financial enterprises

Specification	2016				2017	
	JAN-MAR	JAN-JUN	JAN-SEP	JAN-DEC	JAN-MAR	JAN-JUN
	in mln PLN					
Revenues from total activity	604 487.0	1 254 700.2	1 904 815.2	2 620 280.8	675 317.0	1 376 772.8
of which net revenues from sales of products, goods and materials ...	588 425.8	1 211 605.0	1 846 595.6	2 537 839.2	655 590.3	1 328 446.8
Costs of obtaining revenues from total activity	573 955.1	1 183 722.9	1 801 379.3	2 488 863.1	638 686.9	1 298 019.9
of which costs of products, goods and materials sold	559 388.6	1 150 578.3	1 754 043.3	2 410 704.0	622 167.0	1 264 119.9
Gross financial result	30 531.9	70 977.1	103 435.9	131 417.7	36 630.1	78 752.9
Net financial result	25 447.1	61 522.4	88 889.2	111 063.1	29 900.6	66 952.1
Net profit	34 043.3	74 783.1	105 979.0	134 397.2	38 828.9	78 231.0
Net loss	8 596.2	13 260.8	17 089.9	23 334.1	8 928.3	11 278.9

²⁶ Data concern economic entities keeping accounting ledgers and employing 50 persons or more. Data do not include entities classified to the sections of NACE Rev. 2: Agriculture, forestry and fishing; Financial and insurance activities, as well as higher education institutions.

Net financial result

The gross financial result amounted to PLN 78 752.9 mln (gross profit – PLN 90 055.1 mln, the loss before tax - PLN 11 302.2 mln) and it was by PLN 7 775.6 mln (i.e. by 11.0%) higher than the year before. Gross charges (encumbrances) of financial result increased by 24.8% to PLN 11 800.9 mln in annual terms.

The net financial result constituted at the level of PLN 66 952.1 mln (net profit — PLN 78 231.0 mln, net loss – PLN 11 278.9 mln), i.e. it was by PLN 5 429.7 mln (by 8.8 %) higher than a year before. The net financial result improved, among others, in electricity, gas, steam and air conditioning supply (about PLN 3 063.0 mln to PLN 13 672.2 mln), in mining and quarrying (by PLN 2 861.7 mln to PLN 2 709.7 mln) and in real estate activities (by PLN 399.4 mln to PLN 1 124.5 mln). The increase was also recorded in information and communication (about PLN 291.4 mln to

PLN 3 130.0 mln), manufacturing (about PLN 194.5 mln to PLN 31 385.2 mln) and in accommodation and catering (about PLN 107.0 mln to PLN 445.8 mln). The deterioration in the net financial result was observed in construction (by PLN 1 573.8 mln to PLN 807.9 mln) and in water supply; sewerage, waste management and remediation activities (by PLN 40.4 mln to PLN 913.6 mln).

In the 1st half of 2017, net profit (73.4% against 75.4% the year before) showed less enterprises surveyed than last year, but the share of their revenues in revenues from total activity of all enterprises was slightly higher (82.8% against 82.3% a year before). In manufacturing, the net profit reached 78.1% of enterprises (compared to 80.6% last year), and the share of income received by them in the revenues of all the entities of this section amounted to 86.9% (against 89.6% a year before, respectively).

The basic economic and financial indices of the surveyed enterprises

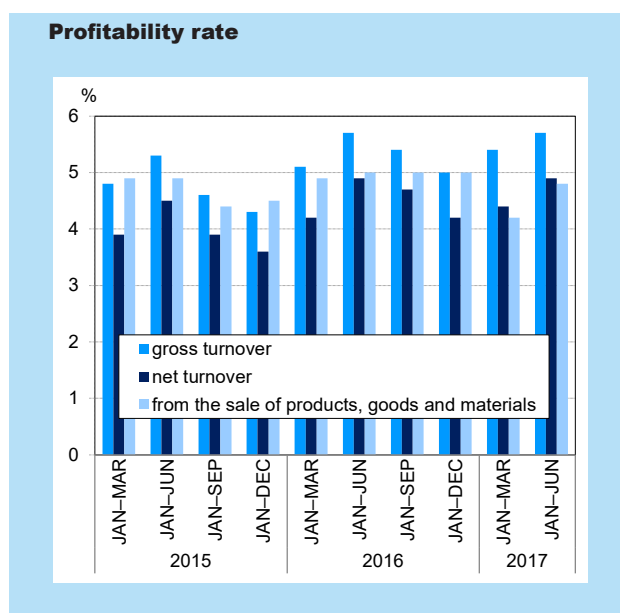
Specification	2016				2017	
	JAN-MAR	JAN-JUN	JAN-SEP	JAN-DEC	JAN-MAR	JAN-JUN
	in %					
Cost level indicator	94.9	94.3	94.6	95.0	94.6	94.3
Profitability rate from the sales of products, goods and materials	4.9	5.0	5.0	5.0	5.1	4.8
Gross turnover profitability rate	5.1	5.7	5.4	5.0	5.4	5.7
Net turnover profitability rate	4.2	4.9	4.7	4.2	4.4	4.9
Liquidity ratio of the first degree	37.4	37.2	38.5	38.8	37.4	37.3

The profitability rate from the sales of products, goods and materials decreased from 5.0% to 4.8%. Gross and net turnover profitability rates did not change, with values of 5.7% and 4.9%. Compared to the 1st half of the previous year, in the total number of surveyed enterprises, the proportion of profitable units (showing net turnover profitability rate equal to or greater than zero) decreased from 75.6% to 73.6% and their share in the revenues from total activity increased from 82.3% to 82.8%. Improvement of the net turnover profitability was observed in mining and quarrying (from minus 0.7% to 9.2%), electricity, gas, steam and air conditioning supply (from 10.9% to 13.8%), real estate activities (from 6.9% to 9.5%), other services (from 6.7% to 8.2%), accommodation and catering activities (from 5.9% to 6.9%), professional, scientific and technical activities (from 7.1% to 8.0%) and in information and communication (from 6.3% to 6.6%). Weakening of net turnover profitability occurred in construction (from 5.9% to 2.0%), water supply; sewerage, waste management and remediation activities (from 7.5% to 6.5%), manufacturing (from 5.9% to 5.4%), transportation and storage (from 4.3% to 3.9%), administrative and support service activities (from 3.2% to 3.0%) and in trade; repair of motor vehicles (from 2.1% to 1.9%).

A value of financial liquidity indicator of the first degree decreased – from 37.2% in the 1st half of 2016 to 35.3% and the indicator of the second degree – from 101.8% to 101.0%. Financial liquidity indicator of the first degree of over 20% was achieved by 48.4% of the surveyed enterprises (compared to 49.4% in the 1st half of 2016) and liquidity indicator of the second degree in the range from 100% to 130% was reported by 11.9% of surveyed enterprises (compared to 12.2% a year before).

The liabilities to dues relation (resulting from deliveries and services) determined at a level slightly higher than in the previous year (93.9% against 93.5%). The value of liabilities due to deliveries and services higher than the value of the dues resulting from them was recorded, among others, in mining and quarrying, trade; repair of motor vehicles and in accommodation and catering.

The costs of the current activities incurred by the surveyed entities in total, in the 1st half of 2017, were by 9.4% higher than the previous year. In the structure of total costs by type, the share



of costs of materials increased while the share of energy, depreciation, services made by other contractors, taxes and payments and other costs decreased. The share of wages and salaries, insurances and benefits for workers did not change.

In the 1st half of 2017, of the surveyed enterprises 51.0% of the units showed export sales (compared to 50.5% a year before). The level of export sales was by 12.1% higher than the year before. The share of export sales in net revenues from sales of products, goods and materials of all entities increased from 25.2% to 25.8%. In the 1st half of 2017, 73.2% of export sales accounted for the enterprises, in which it represented more than 50% of turnover from sales of products, goods and materials – to 74.3% a year before. In the group of entities exporting, the share of units showing net profit decreased to 77.4% from 80.5% the year before, including in manufacturing – to 79.0% from 82.5%. Basic economic and financial relations achieved by the exporters were slightly weaker in comparison with the corresponding period of the previous year, but more favourable than those recorded for all enterprises. Financial liquidity indicators of the first and second degree were lower than those reported by all enterprises.

Among the surveyed enterprises, 89.4%, i.e. 15 599 units, carried on business activity both in 2016 and in 2017 (compared to 91.1% in the previous year). Net revenues from sales of products, goods and materials of those entities accounted for 96.8% of the net revenues from sales of all those entities (compared to 97.8%

a year before). The share of this group of enterprises in the net profit and loss for all entities covered by the survey amounted to 97.1% and 92.6% (compared to 98.0% and 92.9% the year before). Profitability rates recorded by this collectivity were better than in the previous year.

The value of current assets of the surveyed enterprises, at the end of June 2017 amounted to PLN 902 909.2 mln and was by 6.7% higher than the previous year, including increased stocks value (by 10.4%), short-term dues (by 8.1%) short-term interperiod settlements (by 2.4%) and short-term investments (by 0.8%). In the material structure of current assets, the share of short-term dues (from 44.2% to 44.8%) and inventories increased (from 26.9% to 27.8%), and the share of short-term investments decreased (from 25.5% to 24.1%) as well as of short-term interperiod settlements (from 3.4% to 3.3%). In the structure of total stocks, the share of finished products decreased (from 16.1% to 15.4%) and the share of materials decreased (from 29.7% to 30.0%) as well as of semi-finished products and work in progress (from 14.7% to 15.1%). The share of goods in the structure of currents assets did not change and constituted at the level of 37.7%

Current assets were financed mainly by short-term liabilities, and their share in financial covering of the assets accounted for 68.2% (compared to 68.5% a year before).

Compared to the 1st half of 2016, there were no significant changes in the efficiency of enterprises. Cycle of stocks turnover and short-term liabilities

resulting from deliveries and services did not changed and amounted to respectively 34 and 42 days. Cycle of short-term dues turnover from deliveries has been shortened by one day and lasted 44 days.

Long- and short-term liabilities (excluding special funds), at the end of June 2017, amounted to PLN 967 368.6 mln and were by 4.8% higher than a year before. Long-term liabilities accounted for 36.3% of total liabilities (compared to 37.2% in the previous year).

The value of short-term liabilities of the surveyed enterprises stood at the level of PLN 616 144.4 mln and was by 6.3% higher than at the end of June 2016. Liabilities: from advance payments received on account of deliveries increased by 21.5%, on account of taxes, customs duties, insurance and other benefits – by 5.0%, on account of deliveries and services by 8.1%, bank credits and loans – by 8.2%, on account of wages and salaries – by 8.7% and of other liabilities – by 1.8%. Liabilities due the issuance of debt securities decreased by 27.9%. Inter-period settlements increased by 1.3 %.

Long-term liabilities of the surveyed enterprises, at the end of June 2017, were by 2.4% higher than in the previous year and amounted to PLN 351 224.2 million. There was observed an increase in liabilities from bank credits and loans – by 6.2%, and the decrease in liabilities due to issuance of debt securities – by 7.0% and other long-term liabilities – by 0.6%.

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Investment Outlays

In the 1st half of 2017, total investments of the surveyed enterprises²⁷ amounted to PLN 49.2 bn and were by 1.1% lower (in constant prices) than a year before (when a decrease of 7.1% was recorded); in the 1st quarter of 2017 the drop amounted to 0.4%. Investment outlays on buildings and structures decreased by 9,1%, while for purchases²⁸ grew by 3,4%. The share of purchases in total investments increased to 67.3% from 63.7% a year before. Investments were incurred by 78.9% surveyed entities (compared to 79.2% in the corresponding period of the previous year). The number of the newly started investments increased and their estimated value was higher than the previous year. Outlays of entities with foreign capital participation was slightly lower than in the 1st half of 2016.

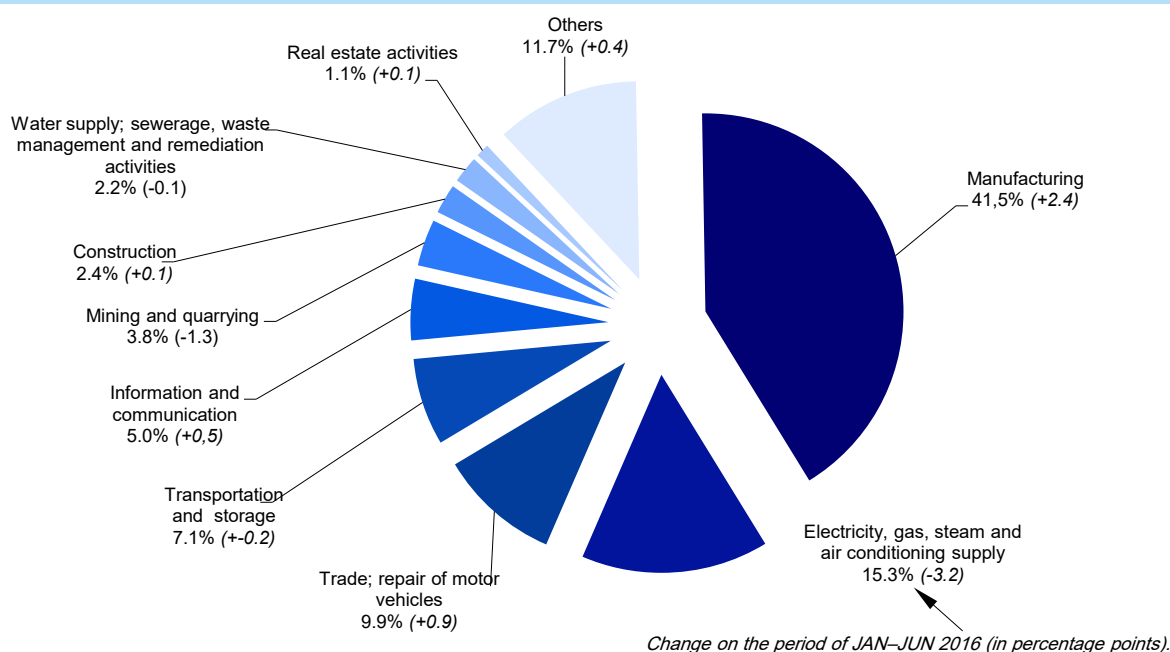
The decrease of investments (in current prices) occurred, among others, in mining and quarrying (of 24.9% compared to a decrease of 2.7% a year before), in electricity, gas, steam and air conditioning

supply (of 17.6% against a decrease of 9.8%), in accommodation and catering (of 11.9%, against a drop of 18.0%) and in water supply; sewerage, waste management and remediation activities (of 3.4%, against a drop of 50.2%). The increase of investments was recorded in information and communication (of 11.0% compared to an increase of 3.2% the year before), in real estate activities (of 10.7% compared to a decline of 18.9%), trade; repair of motor vehicles (of 9.7% against increase of 0.2%), and manufacturing (of 5.8% against an increase of 7.6%), construction (by 4.8% against a decrease of 10.3%), in transportation and storage (of 3.6% against a drop of 37.6%) and in the administrative and support service activities (of 1.9% against an increase of 29.9%).

Among the manufacturing divisions with the largest share in total investment outlays, the highest increase in outlays was observed in enterprises dealing with manufacture of coke and refined petroleum

Investment outlays

structure of the investment outlays in the period of January–June 2017 (at current prices)



²⁷ Data concern economic entities keeping accounting ledgers and employing 50 persons or more. Data do not include entities the main activity of which is classified according to NACE Rev. 2 in the sections "Agriculture, forestry and fishing", "Financial and insurance activities", as well as higher education institutions.

²⁸ Machinery, technical equipment and tools as well as transport equipment.

products (of 75.9% against an increase of 1.1% in the previous year), manufacture of food products (of 8.1 % against an increase of 13.0%). However, the greatest decrease in investment outlays was noticed in manufacture of motor vehicles, trailers and semi-trailers (of 12.8% against an increase of 16.5% in the previous year) and in manufacture of chemicals and chemical products (by 11.1% against an increase of 4.7%).

In the structure of total investment by sections, in the period of January—June 2017, a decrease, in annual terms, concerned the share of electricity, gas, steam and air conditioning supply (from 18.5% to 15.3%), mining and quarrying (from 5.1% to 3.8%) and water supply; sewerage, waste management and remediation activities (from 2.3% to 2.2%). However, an increase concerned the share of outlays incurred by, among others, units dealing with manufacturing (from 39.1% to 41.5%), trade; repair of motor vehicles (from 9.0% to 9.9%), information and communication (from 4.5% to 5.0%), administrative and support service activities (from 8.8% to 9.0%) and transportation and storage (from 6.9% to 7.1%).

In the surveyed enterprises according to size classes, a decrease in outlays was recorded in entities employing more than 1000 persons - of 5.5%, while the increase in investment was recorded in the entities employing 50 to 249 persons - of 10.4% and in units employing from 250 to 1000 persons - of 0.3%.

In the period of six months of 2017, there were 107.3 thous. investments newly started, i.e. by 1.0% more than a year before (against an increase of 12.1% in the corresponding period of 2016). Approximately 55% of newly started investments constituted electricity and gas connections with a low unit estimated value. The total estimated value of newly started investments amounted to PLN 34.3 bn and was by 25.1% higher than in the 1st half of 2016 (when an increase of 13.2% was recorded). The modernization of existing fixed assets accounted for 54.6% of the estimated value of newly started investments (against 29.1% in the 1st half of 2016).

Entities with foreign capital²⁹ participation incurred 44.0% of the total value of outlays accomplished by the surveyed enterprises in total (compared to 40.1% in the first half of 2016). Outlays of this group of entities (in constant prices) was by 1.7% lower, in annual terms, (compared to 7.6% a year before). Manufacturing units accomplished 51.8% of total outlays in this group of entities (an increase of 1.0% in current prices), administrative and support service activities — 17.4% (an increase of 0.3%), operating in the field of trade; repair of motor vehicles –13.2% (a growth of 10.1%), information and communication – 9.0% (an increase of 6.1%).

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²⁹ Data concern economic entities, with 50% and more share of foreign capital, (excluding credit and insurance institutions), keeping accounting ledgers in which the number of employed persons amounts to 50 and more. In previous publications data concerned economic entities with foreign capital exceeding USD 1 mln, regardless of foreign share in company's capital, (excluding credit and insurance institutions), keeping accounting ledgers in which the number of employed persons amounts to 50 and more.

Foreign Trade

In the 1st half of 2017, foreign trade turnover increased, in annual terms more in imports than in exports. A growth was observed in trade with all groups of countries – mostly with the countries of the Central and Eastern Europe. The positive balance of the total turnover was lower than a year before. The turnover, at constant prices, in the period of January–June 2017 increased in annual terms; terms of trade index determined at a favourable level.

In comparison with the 1st half of 2016, the exports in PLN (in current prices) increased by 7.3% and amounted to PLN 426.3 bn, while imports increased by 9.8% to PLN 422.1 bn. The trade closed with the positive balance of PLN 4,2 bn (PLN 12,8 bn, a year before). The turnover in EUR grew, in annual terms, in exports by 8.4% to EUR 99.1 bn, whereas in imports by – 10.9% to EUR 98.2 bn. The positive balance reached a value of EUR 1.0 bn (EUR 3.0 bn in the 1st half of the previous year). The exports in USD were by 4.3% higher than a year before and amounted to USD 106.3 bn, while imports increased by 6.8% to USD 105.3 bn. The positive balance reached the level of USD 1.0 bn (USD 3.3 bn in the period of six months of the previous year).

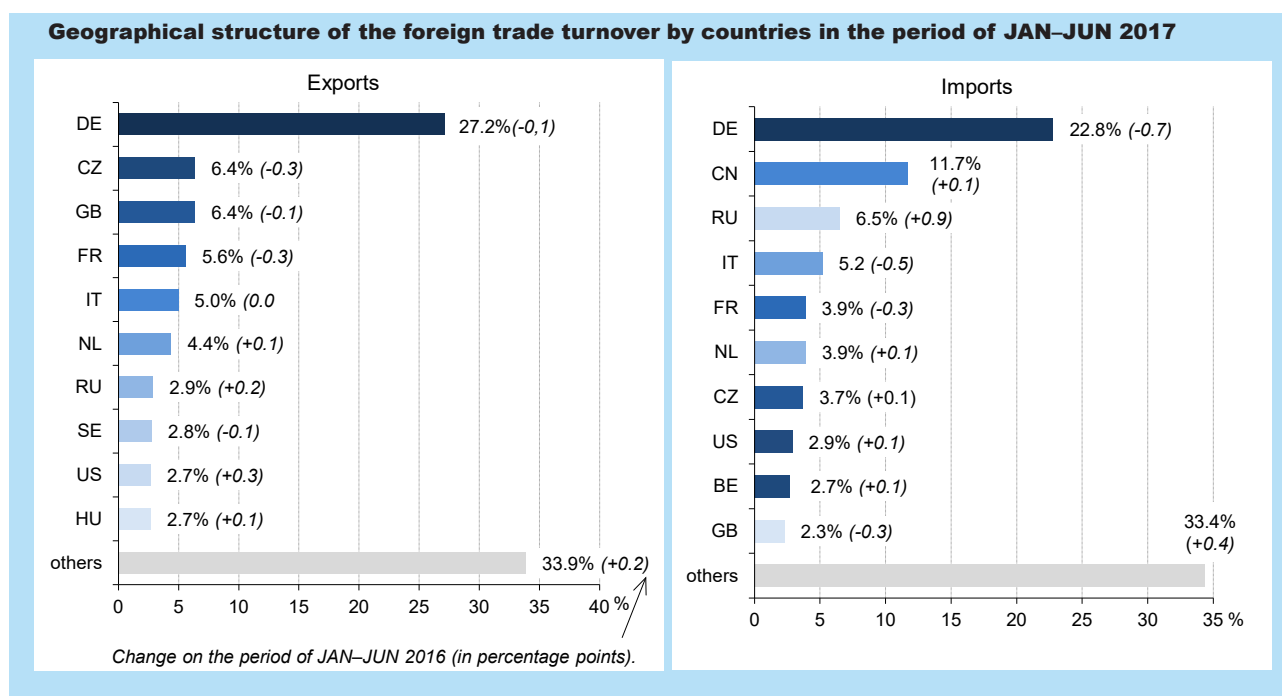
In the period of January–June 2017, the exports in constant prices grew by 5.9% compared to the corresponding period of the previous year, while imports rose by 7.3%. The volume of exports was higher than in the previous year – in the trade with the EU (by 4.8%), with countries of the Central and Eastern Europe (by 18.6%) and with developing countries (by 1.9%). In imports, the volume of goods imported from the EU countries increased (by 6.3%) and from developing countries (by 8.0%); in turn, from countries the Central and Eastern Europe it maintained at the same level.

The transaction prices of exported goods (calculated in PLN) increased by 2.1% compared to the period of January–June 2016 and imports – by 2.9%.

The terms of trade index in total turnover in the period of six months of 2017, reached the level of 99.2 (compared to 100.9 in the corresponding period of the previous year) in trade with the EU countries amounted to 102.3 (compared to 97.6), in turnover with the Central and Eastern Europe 81.5 (against 133.4), and with developing countries 96.6 (compared to 98.7).

Foreign trade turnover

Specification	JAN–JUN 2017						JAN–JUN 2016	JAN–JUN 2017
	in mln PLN	in mln EUR	in mln USD	JAN–JUN 2016=100				
				in PLN	in EUR	in USD		
Exports	426 333.5	99 133.3	106 313.9	107.3	108.4	104.3	100.0	100.0
developed countries	36 8847.1	85 754.7	91 946.4	106.8	107.8	103.8	86.9	86.5
of which the European Union	33 8839.3	78 773.8	84 452.9	106.3	107.3	103.3	80.2	79.5
of which euro-area ...	24 1715.8	56 192.5	60 239.7	106.5	107.5	103.5	57.1	56.7
developing countries	32897.7	7 652.6	8 213.7	103.4	104.6	100.7	8.0	7.7
the Central and Eastern- European countries	24 588.7	5 726.0	6 153.8	122.4	124.0	119.5	5.1	5.8
Imports	422 117.7	98 161.0	105 300.3	109.8	110.9	106.8	100.0	100.0
developed countries	283 484.8	65 931.7	70 725.6	106.9	107.9	103.9	69.0	67.1
of which the European Union	252 273.2	58 669.2	62 927.8	105.6	106.7	102.7	62.1	59.8
of which euro-area ...	201 334.9	46 824.8	50 225.6	105.0	106.1	102.1	49.8	47.7
developing countries	104 503.6	24 297.6	26 068.3	113.2	114.4	110.3	24.0	24.8
the Central and Eastern- European countries	34 129.3	7 931.7	8 506.4	126.6	127.5	123.0	7.0	8.1
Balance	4 215.8	972.3	1 013.6	x	x	x	x	x
developed countries	85 362.3	19 823.0	21 220.8	x	x	x	x	x
of which the European Union	86 566.1	20 104.6	21 525.1	x	x	x	x	x
of which euro-area ...	40 380.9	9 367.7	10 014.1	x	x	x	x	x
developing countries	-71 605.9	-16 645.0	-17 854.6	x	x	x	x	x
the Central and Eastern- European countries	-9 540.6	-2 205.7	-2 352.6	x	x	x	x	x



In the geographical structure of turnover, compared to the 1st half of 2016, the share of the Central and Eastern Europe countries increased, and declined – of developed countries (including the EU). The share of developing countries in total turnover increased in imports and decreased in exports.

The value of turnover with Germany, our most important trade partner, grew in exports by 6.9% to PLN 115.9 bn, and in imports by 6.2% to PLN 96.1 bn. The trade closed with the positive balance and it amounted to PLN 19,8 bn (PLN 18,0 bn after 6 months of the previous year). Compared to the period of January–June 2016, the share of Germany in the total turnover dropped – in exports from 27.3% to 27.2%, and imports from 23.5% to 22.8%.

In the trade with Germany, according to the SITC commodity groups, there was recorded an increase in exports of, among others, parts and accessories of motor vehicles, while a decrease was observed mainly in export of furniture and parts thereof. A growth concerned imports, among others, of passenger motor cars and accessories of the motor vehicles, and a drop was observed in imports of articles of plastics.

After six months of 2017, Russia rose from 9th place a year before to 7th place in the ranking of Poland's trade partners in terms of exports, and in imports it maintained the 3rd place. The exports to Russia increased by 15.4% to PLN 12.5 bn, while imports – by 27.5% and it amounted to PLN 27.6 bn. The turnover balance worsened from minus PLN 10.8 bn in the previous year to minus PLN 15.1 bn. The share of Russia in total exports increased from 2.7%

in the period of six months of 2016 to 2.9%, and in imports respectively from 5.6% to 6.5%.

In trade with Russia, according to the SITC groups, compared to the corresponding period of 2016, a significant increase was recorded in exports of perfumery, cosmetics and toilet preparations, medicaments, heating and cooling equipment and parts thereof, as well as parts and accessories of motor vehicles. In imports, the value of petroleum oils and oils from bituminous minerals processed went up.

In trade, according to the SITC nomenclature, in comparison with the period of January–June 2016 an increase in turnover was recorded in most sections of commodities. The highest growth was observed in exports and imports of mineral fuels, lubricants and related materials, which resulted in increase in the share of this section in the total commodity structure. With slower dynamics than the total turnover, the share of, among others, section of machinery and transport equipment decreased.

In the structure of import distribution by broad economic categories, compared to the corresponding period of the previous year, the share of intermediate consumption goods increased (from 58.7% to 60.4%). While the share of capital goods decreased (from 16.5% to 15.0%) and of consumer goods (from 24.8% to 24.7%). A growth in imports was noted in case of consumer goods – by 9.1% and goods for intermediate consumption – by 12.9%, while imports of capital goods decreased by 0.3%.

Money Supply

At the end of June of 2017, the M3 money supply³⁰ amounted to PLN 1 261.2 bn and was by 0.4% lower than at the end of the previous year.

The supply of currency in circulation (excluding bank vault cash) at the end of June 2017 amounted to PLN 176.6 bn and increased by 1.3% as compared to December of the previous year.

Deposits and other liabilities constituting the main item in the structure of money supply (M3) amounted to PLN 1 072.8 bn, at the end of June of 2017, i.e. by 0.8% less than at the end of the previous year. The largest share in this item (66.4%) had the deposits and other liabilities towards households, which increased by 1.1% as compared to the end of 2017. Deposits and other liabilities towards non-financial corporations decreased by 8.4% during this period.

Other M3 components, at the end of June 2017, amounted to PLN 11.7 bn. The value of this item increased by 23.9% as compared to December of the previous year.

Another factor determining the money stock were net foreign assets, which at the end of June 2017 amounted to PLN 216.6 bn. Their value decreased by 7.5% in comparison to the end of the previous year.

Net domestic assets, at the end of June 2017 were at the level of PLN 1 044.6 bn and increased in relation to the end of the previous year – by 1.3%.

Claims constituting the greatest item in the structure of the net domestic assets, at the end of June 2017 amounted to PLN 1 160.2 bn, i.e. by 2.0% more than at the end of 2016. The largest share in this item (58.0%) had claims from households, which increased by 1.2% as compared to the end of the previous year. Claims from non-financial corporations raised by 3.3% during this period.

Credit to central government, net in the bank system, at the end of June 2017 amounted to PLN 217.9 bn. The value of this credit dropped by 14.1% in comparison to the end of the previous year.

The factor decreasing the money stock was the negative balance of other items, net which amounted of PLN 333.6 bn, and improved in relation to the end of last year – by PLN 25.8 bn.

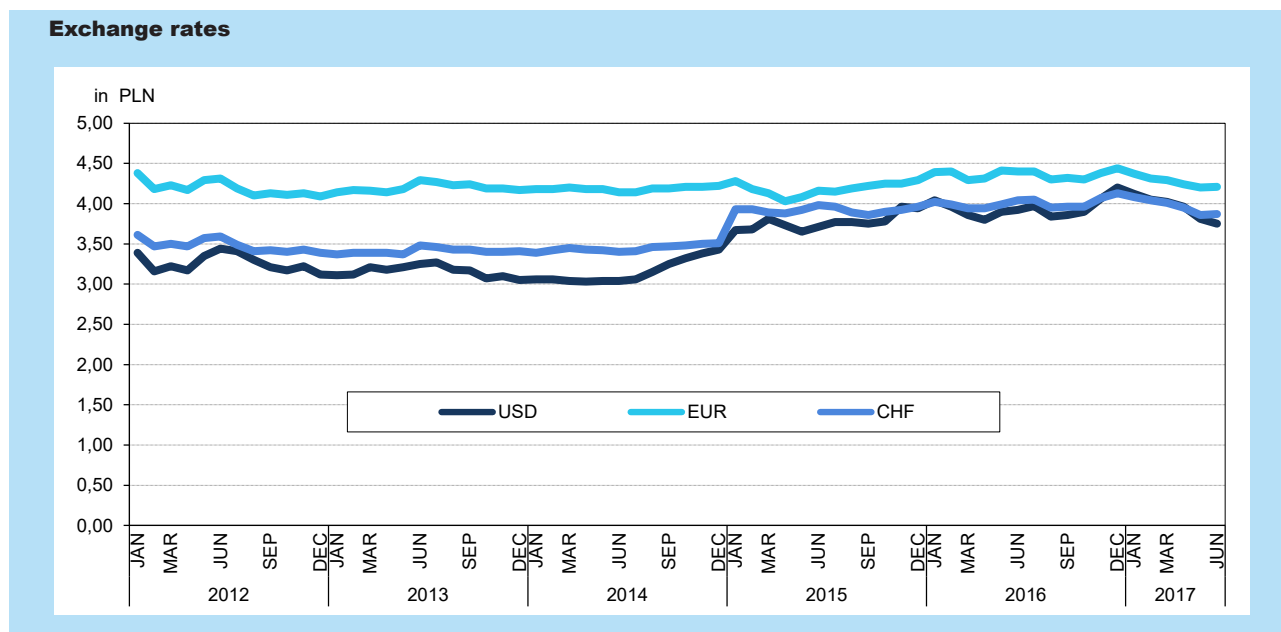
The basic interest rates of the National Bank of Poland remained unchanged since 5 March 2015: the lombard rate – 2.50%, the rediscount rate – 1.75%, the reference rate – 1.50%, the deposit rate – 0.50%.

The components of money supply (M3) and assets of the bank system^a

Specification	2016		2017			
	JUN	DEC	MAY	JUN	change in relation to	
	in mln PLN				MAY 2017	DEC 2016
Money supply (M3)	1 200 886.0	1 265 675.2	1 263 878.3	1 261 178.1	99.8	99.6
currency in circulation	163 175.7	174 398.9	174 841.0	176 627.5	101.0	101.3
deposits and other liabilities ..	1 028 857.8	1 081 821.7	1 075 839.3	1 072 840.3	99.7	99.2
other components of M3	8 852.5	9 454.7	13 198.0	11 710.3	88.7	123.9
Net foreign assets	215 055.6	234 092.7	228 459.3	216 622.3	94.8	92.5
Net domestic assets	985 830.4	1 031 582.5	1 035 419.0	1 044 555.8	100.9	101.3
claims	1 102 113.8	1 137 438.9	1 155 251.1	1 160 246.6	100.4	102.0
credit to central government, net	224 622.5	253 546.6	221 540.3	217 883.6	98.3	85.9
other items, net.....	-340 905.9	-359 402.9	-341 372.3	-333 574.5	x	x

^a The end of the period.

³⁰ Based on the data of the National Bank of Poland – monetary and financial statistics.



The average monthly exchange rates at the National Bank of Poland in June 2017 decreased in comparison to the corresponding period in the previous year and to the December of 2016.

The average monthly currency exchange rates in the National Bank of Poland

Specification	2016		2017			% change in relation to		
	JUN	DEC	MAY	JUN				
	in mln PLN				JUN 2016	DEC 2016	MAY 2017	
100 EUR	440.19	443.71	420.40	420.83	-4.4	-5.2	0.1	
100 USD	392.00	420.49	380.70	375.04	-4.3	-10.8	-1.5	
100 CHF	403.74	412.56	385.80	387.08	-4.1	-6.2	0.3	

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State Budget

In the period of January-June 2017 the state budget revenue³¹ amounted to PLN 176.7 bn (i.e. 54.3% of the amount assumed in the budget act for 2017) and expenditure – to PLN 170.8 bn (44.4%

respectively). As a result, the state budget recorded a surplus of PLN 5.9 bn, compared to deficit of PLN 18,7 bn in the previous year.

Revenue and expenditure of the state budget					
Specification	Budget act ^a for 2017	JAN–JUN 2017			
		execution	low on public finances	structure	JAN–JUN 2016=100
		in mln PLN		in %	
Total revenue	325 428.0	176 701.5	54.3	100.0	116.5
tax revenue	301 155.2	155 562.4	51.7	88.0	117.7
of which:					
indirect taxes	214 192.0	112 999.5	52.8	63.9	119.9
of which:	143 483.0	80 015.0	55.8	45.3	28.2
value added tax (VAT)	69 000.0	32 230.2	46.7	18.2	103.6
excise tax	29 817.0	15 708.8	52.7	8.9	113.7
corporate income tax	51 000.0	23 815.7	46.7	13.5	107.9
personal income tax	3 937.0	2 152.3	54.7	1.2	153.7
tax on some financial institutions	22 476.3	20 720.0	92.2	11.7	108.5
non-tax revenue					
of which:	2 440.6	162.3	6.6	0.1	53.5
dividends from the State Treasury holdings in companies and payment from profit state owned enterprises and sole shareholder companies of the State Treasury	3 720.0	1 692.6	45.5	1.0	109.8
receipts from customs duties	13 564.8	9 062.4	66.8	5.1	56.5
revenue of state budgetary units and other non-tax	1 796.5	419.1	23.3	0.2	110.6
non-returnable funds from the European Union and other sources	384 773.5	170 841.4	44.4	100.0	100.3
Total expenditure					
of which:	17 512.0	7 957.9	45.4	4.7	105.2
grants and subventions for:	466 78.7	19 009.8	40.7	11.1	81.9
Pension Fund	54 289.4	31 852.7	58.7	18.6	102.2
Social Insurance Fund	72 108.3	31 668.7	44.0	18.5	105.3
general subvention for local government units	30 400.0	11 495.1	37.8	6.7	84.8
current expenditure of budgetary units	18 165.4	7 374.2	40.6	4.3	84.5
State Treasury debt service	-59 345.5	5 860.1	x	x	x
settlements with the EU general budget with regard to own resources					
Deficit	58 292.2	2 822.0	4.8	x	x
Deficit financing ^b	10 687.8	-8 682.1	x	x	x
domestic sources					
foreign sources					

a Journal of Laws dated 17 01 2017, item 108. b Including the financing of the state budget and the European Union funds deficit.

³¹ Prepared on the basis of the Ministry of Finance „Estimates on the State Budget execution in the period of January-June 2017”..

Revenue executed in the period of January-June 2017 was by 16,5% higher than in the corresponding period of the previous year. Revenue from indirect taxes amounted to PLN 113.0 bn, of which the execute tax – to PLN 32.2 bn and were higher by 19.9% than a year before and by 3.6%, respectively. Their share in the total revenue amounted to 63.9% and 18.2%, appropriately. Receipts from the corporate income tax reached the level of PLN 15.7 bn, and from personal income tax – PLN 23.8 bn, i.e., by 13.7% and 7.9% higher than in the previous year, respectively. Their share in the total revenue was 8.9% and 13.5%, accordingly. The execution of the State Budget revenue due to the inflow of non-returnable funds from the European Union and other sources amounted to PLN 0.4 bn, which accounted for 23.3% of the plan.

Expenditure incurred, in the period January-June 2017, was by 0.3% higher than a year before. General subvention for local government units amounted to PLN 31.9 bn, i.e. increased by 2.2%, in annual terms, and accounted for 18.6% of total expenditure. Expenditure on the debt of the State Treasury servicing accounted for 6.7% of the total expenditure and decreased by 15.1% in relation to the corresponding period of the previous year. Grants for the Pension Fund paid in the period of January-June 2017 amounted to PLN 8.0 bn (i.e. 4.7% of total expenditure) and for the Social Insurance Fund - PLN 19.0 bn (11.1%, respectively).

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Gross Domestic Product

According to preliminary data, the gross domestic product, in the 2nd quarter of 2017, after eliminating the impact of seasonal factors, increased by 4.4% real, in annual terms, and it was by 1.1% higher compared to the previous quarter. The seasonally unadjusted gross domestic product was, in real terms, by 3.9% higher than in the previous year (against a growth of 4.0% in the 1st quarter of 2017).

The main factor contributing to the growth of GDP in the 2nd quarter of 2017 was still domestic demand, whose impact increased to 5.4 percentage points (from 3.9 percentage points in the previous quarter). The impact of the final consumption expenditure was positive and reached 3.4 percentage points (of which consumption expenditure in the household sector – 2.9 percentage points, and public consumption – 0.5 percentage point). The gross capital formation also had a positive impact on GDP growth (2.0 percentage points compared to 0.7 percentage point in the 1st quarter of 2017); for the first time since the 4th quarter of 2015, there was a positive impact of investment demand on GDP growth, with a positive impact of changes in inventories simultaneous. Net exports had a negative influence on the economic growth rate (minus 1.5 percentage points compared

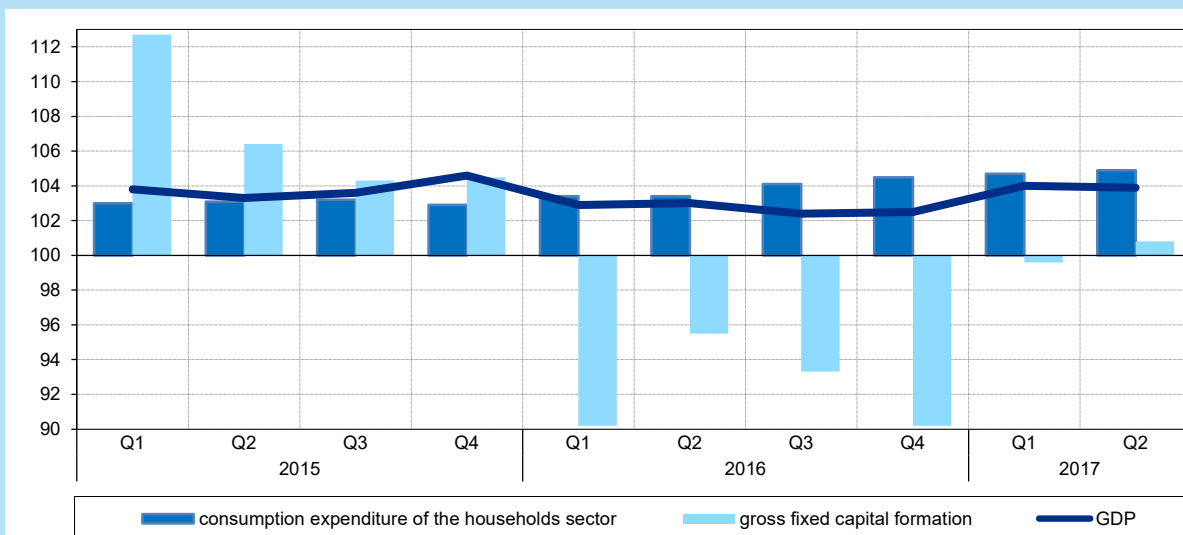
to 0.1 percentage point in the previous period).

Domestic demand, in the 2nd quarter of 2017, was by 5.6% higher than in the preceding year (compared to 4.1% in the previous quarter). The growth of final consumption expenditure amounted to 4.3% (of which consumption expenditure in the household sector increased by 4.9% and public consumption expenditure in the general government sector – by 2.4%). Gross capital formation grew, in annual terms, by 11.5% as a result of substantial growth in changes in inventories and growth in gross fixed capital formation (of 0.8%) recorded for the first time since the 4th quarter of 2015. The investment rate amounted to 16.2% (against 16.8% in the previous year and to 11.7% in the 1st quarter of 2017).

Exports, in the 2nd quarter of 2017, increased in annual terms by 2.8%, while imports – by 6.1% (in the 1st quarter of 2017, exports and imports grew by 8.3% and 8.7%, respectively)

Gross domestic product, consumption expenditure of the household sector and gross fixed capital formation

corresponding period of the previous year=100

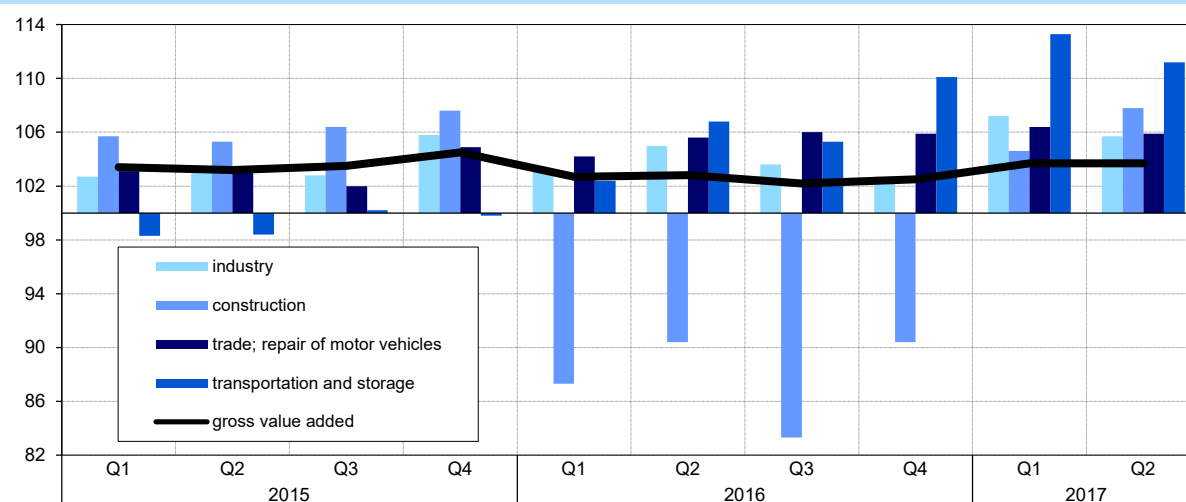


The gross value added in national economy, in the 2nd quarter of 2017, was by 3.7%, higher than in the previous year i.e. similarly as in the 1st quarter of 2017. The gross value added in industry increased by 3.9%, while in construction – by 9.8% after a deep decline a year before. The gross value added in trade; repair of motor vehicles went up by 5.4%, while in transportation and storage – by 9.3%. The growth in gross value added was also recorded in information and communication (of 6.6%), accommodation and catering (of 2.7%), financial and insurance activities (of 2.2%), professional, scientific and technical

activities; administrative and support activities (of 2.0%), and real estate activities (of 0.9%). However, there was a slight decline in total gross value added in sections of public administration and defence; compulsory social security; education; human health and social work activities – by 0.2%.

Gross value added

corresponding period of the previous year=100



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General Notes

1. Data contained in the Poland Quarterly Statistics have been presented in accordance with the Polish Classification of Activities – PKD 2007, compiled on the basis of the Statistical Classification of Economic Activities in the European Community – NACE Rev. 2.
2. The category of “Industry” used in this quarterly refers to NACE Rev. 2 sections “Mining and quarrying”, “Manufacturing”, “Electricity, gas, steam and air conditioning supply” and “Water supply; sewerage, waste management and remediation activities”.
3. Data are compiled according to the respective organizational status of units of the national economy.
4. Data by NACE Rev. 2 sections, divisions and groups as well as voivodships are compiled on the basis of the enterprise (entity) method, assuming whole entities of the national economy as the basis for grouping all data characterising their activity according to individual classification levels and territorial divisions.
5. Data presented in the publication cover units of the national economy regardless of ownership, i.e. included in the public and private sectors.
6. The information concerning the enterprise sector is presented on the basis of the definition of “enterprise” – introduced by the Council Regulation (EEC) No. 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community. In accordance with the above-mentioned Regulation, an enterprise is treated as an organisational unit producing goods or providing services, which obtains benefits from a certain degree of independence in decision making, especially in the area of allocation of its current assets. An enterprise conducts one or several types of activity in one or several places and is established by a legal entity or a group of legal entities. The enterprise sector includes entities conducting economic activity in the scope of forestry and logging; marine fishing; mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities; construction; wholesale and retail sale; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; information and communication; real estate activities; legal and accounting activities; activities of head offices; management consultancy activities; architectural and engineering activities; technical testing and analysis; advertising and market research; other professional, scientific and technical activities; administrative and support service activities; arts, entertainment and recreation; repair of computers and personal and household goods; other personal service activities.
7. Data on employed persons, employment, as well as wages and salaries does not include private farms in agriculture and budgetary entities conducting activity within the scope of national defence and public safety; furthermore:
 - quarterly data refer to those entities of the national economy in which the number of employed persons exceeds 9; furthermore, the data on employment, as well as wages and salaries exclude persons employed abroad and engaged in social and political organisations, trade unions, etc.;
 - average monthly total wages and salaries in quarterly periods cover complete statistical population;
 - annual data cover all entities of the national economy regardless of the number of employed persons.
8. Data on sold production of industry, construction and assembly production, wholesale and retail trade of goods:
 - quarterly data (in the case of sale of construction and assembly production are provided on an accrued basis) cover those economic entities in which the number of employed persons exceeds 9;
 - annual data cover all economic entities regardless of the number of employees.
 Data on the sale of construction and assembly production concern works accomplished by construction entities on the basis of the contract system (i.e. for outside clients) and do not include work performed abroad.
9. Data on the production of selected industrial products in all kinds of activities refer to those entities in which the number of employed persons exceeds 49.

10. Data on the financial results of non-financial enterprises refer to economic entities keeping accounting ledgers (excluding entities whose basic type of activity is classified according to the NACE Rev. 2 in the sections "Agriculture, forestry and fishing" and "Financial and insurance activities" as well as higher education institutions) in which the number of employed persons exceeds 49.
11. Quarterly data referring to investment outlays and newly started investments refer to economic entities (excluding entities whose basic type of activity is classified according to the NACE Rev. 2 in the sections "Agriculture, forestry and fishing" and "Financial and insurance activities" as well as higher education institutions) in which the number of employed persons exceeds 49. Quarterly data are presented on an accrued basis. Annual data concerning investment outlays include all units of the national economy regardless of the number of employees.
12. Unless otherwise stated, data in value terms and structural indicators are provided at current prices, and dynamic indices – on the basis of value at constant prices. As constant prices in the period of 2006–2010 were adopted constant prices of 2005 (2005 average current prices), since 2011 – constant prices of 2010 (2010 average current prices), except for foreign trade turnover, where average current prices from the year preceding the surveyed year were assumed as constant prices, as well as for investment outlays and retail sales, for which current prices from the corresponding period of the previous year were assumed as constant prices.
13. Relative numbers (indices, percentages) are calculated, as a rule, on the basis of absolute data expressed with higher precision than that presented in tables.
14. Some data are preliminary and may be revised in subsequent editions of the Poland Quarterly Statistics.
15. This publication uses abbreviations of some classification levels of NACE Rev. 2; the abbreviated names were marked with "Δ" in the tables. The list of abbreviations and their respective full names is presented below:

Abbreviation	Full name
NACE sections	
Trade; repair of motor vehicles	Wholesale and retail, trade; repair of motor vehicles and motorcycles
Accommodation and catering	Accommodation and food service activities

Codes of Selected Countries

AT	–	Austria	KR	–	Republic of Korea
BE	–	Belgium	LT	–	Lithuania
BG	–	Bulgaria	LU	–	Luxembourg
CN	–	China	LV	–	Latvia
CY	–	Cyprus	MT	–	Malta
CZ	–	Czech Republic	NL	–	Netherlands
DE	–	Germany	PL	–	Poland
DK	–	Denmark	PT	–	Portugal
EE	–	Estonia	RO	–	Romania
ES	–	Spain	RU	–	Russia
FI	–	Finland	SE	–	Sweden
FR	–	France	SI	–	Slovenia
EL	–	Greece	SK	–	Slovakia
HR	–	Croatia	UA	–	Ukraine
HU	–	Hungary	UK	–	United Kingdom
IE	–	Ireland	US	–	United States
IT	–	Italy			

Conventional signs

Dash (–)	magnitude zero	Dot (.)	data not available or not reliable
Zero: (0)	magnitude not zero, but less than 0.5 of a unit	Sign x	not applicable
(0,0)	magnitude not zero, but less than 0.05 of a unit	Colour red	data in Excel tables altered in relation to that published in the previous edition

Major abbreviations

thous.	thousand
mln	million
bn	billion
PLN	zloty
USD	United States dollar
EUR	euro
CHF	Swiss franc

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Methodological Notes

1. Data on population for the period of 2007–2009 are compiled on the basis of the results of the Population and Housing Census 2002 and since 2010 – the Population and Housing Census 2011, as well as data from current reporting on vital statistics and population migration.
 2. Data on the number and structure of population concern the jure population. This category does not include people who have come from abroad for temporary stay, while include permanent Polish residents staying temporarily abroad (regardless of the duration of their absence).
 3. Data regarding employed persons concern persons performing work providing earnings or income and include:
 - employees hired on the basis of an employment contract;
 - owners, co-owners, and leaseholders of private farms in agriculture (including contributing family workers);
 - owners and co-owners of entities engaged in economic activities excluding private farms in agriculture (including contributing family workers);
 - other self-employed persons, e.g. persons practicing learned professions;
 - outworkers;
 - agents (including contributing family workers and persons employed by agents);
 - members of agricultural production co-operatives;
 - clergy fulfilling priestly obligations.
 4. Data on the average number of employed persons are given after converting of part-time paid employees into full-time paid employees, excluding employers and own-account workers (excluding private farms in agriculture) as well as agents.
 5. Data on average paid employment include persons employed on the basis of a full-time and part-time contract, converted into a full-time period.
 6. Data on registered unemployment concerning persons registered in powiat labour offices are presented in accordance with the Law of 20 April 2004 on Promoting Employment and Labour Market Institutions (Journal of Laws 2016, Item 645).
The number of the unemployed does not include persons undergoing, among others, traineeship, internship and occupational preparation of adults, as well as social utility works.
- The long-term unemployed are persons remaining in the register rolls of the powiat labour office for the overall period of over 12 months during the last 2 years, excluding the periods of traineeship or occupational preparation of adult at the workplace.
7. Registered unemployment rate was calculated as a ratio of the number of registered unemployed persons to the economically active civilian population, i.e. excluding persons in active military service, as well as employees of budgetary entities conducting activity within the scope of national defence and public safety.
 8. Data on the economic activity of population aged 15 and more are compiled on the basis of the generalized results of the probability sample Labour Force Survey (LFS) conducted quarterly using a continuous observation method (a sliding survey week). The survey includes persons who are members of sampled households, excluding persons staying outside the households, i.e. abroad or living in institutional households, for 12 months or longer (until the second quarter of 2012 — exceeded 3 months). The LFS data are calculated on the basis of the exact date of birth. The survey results have been generalized based on population balances compiled on the basis on Population and Housing Census 2011.
Work, i.e. performing, having or seeking work, is the basic criterion of dividing population into employed persons, unemployed persons and economically inactive persons.
Economically active population (i.e. labour force) covers all persons who are considered employed or unemployed. Economically inactive population (i.e. outside the labour force) covers all persons who in the survey week were classified neither as employed nor as unemployed.
Unemployed persons are persons aged 15–74 who in the reference week were not employed, were actively looking for work and were ready to take up work within two weeks after the reference week.
The unemployed also included persons who had found a job and they were waiting to start it in the period not longer than 3 months, and they were able to take up work.
The activity rate is calculated as a share of economically active persons (in total or in a given group) in the number of population aged 15 or more (in total or in a given group).

The employment rate is calculated as a share of employed persons (in total or in a given group) in the number of population aged 15 or more (in total or in a given group).

The LFS unemployment rate is calculated as a share of the unemployed persons (in total or in a given group) in the number of the economically active persons aged 15 or more (in total or in a given group).

9. Average monthly nominal wage and salary per paid employee are calculated assuming:

- personal wages and salaries, excluding wages and salaries of outworkers and apprentices as well as persons employed abroad;
- payments from a share in profit or in the balance surplus of cooperatives;
- additional annual wages and salaries for employees of budget sphere entities;
- fees paid to selected groups of employees for performing work in accordance with labour contract.

Data on wages and salaries are presented in gross terms, i.e. including deductions for personal income taxes and also contributions to compulsory social security (retirement, pension and illness) paid by the insured employee.

Indices of average monthly real gross wage and salary are calculated as a quotient of the average monthly nominal gross wage and salary index and consumer price index of households of employees.

10. Price indices of:

- sold production of industry (i.e. mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, and also water supply; sewerage, waste management and remediation activities) are calculated on the basis of a monthly survey on prices of products and services actually received by specifically selected economic units, included in the above mentioned sections. The survey covers about 3.3 thousand units in which the number of employed persons exceeds 9. The price indices were calculated using, as a weight system, the structure of sold production from 2010. These values are updated monthly by the price changes and the changes in the sales structure taking place in consecutive months of the year to which the price indices refer;

- construction and assembly production are calculated on the basis of a monthly survey of prices of works realized by specifically selected economic units, classified in "Construction" section, i.e. by approx. 480 construction and assembly enterprises in which the number of employed persons exceeds 9. The price indices were calculated using, as a weight system, the sales value from 2010. These values include the price changes and the changes in the sales structure taking place in consecutive months of the year to which the price indices refer;
- consumer goods and services are obtained on the basis of price observations of representatives of consumer goods and services (approx. 1500 in 2017). Price observations carried out in selected retail outlets, service and catering units located in the price survey regions (a town or part of a town) constitute the principal source of information. Price-lists, regulations and decisions applicable to the uniform prices binding throughout the country or its parts, and also price observations of goods and services purchased through the Internet constitute additional sources of information. Price indices of consumer goods and services are calculated using, as a weight system, the annual structure of expenditure (excluding own consumption) of particular groups of households on purchasing consumer goods and services from the year preceding the one under the survey, obtained from the Household Budget Survey. The grouping of consumer goods and services is presented on the basis of the European Classification of Individual Consumption by Purpose (ECOICOP);
- procurement of agricultural products are compiled on the basis of information on the prices paid in a given period of time by procurement entities for products directly from agricultural producers. The average prices are computed as a quotient of the value (excluding VAT) and quantity of every single agricultural product.

11. Data on sold production of industry concern industrial and non-industrial activity of economic entities included in sections “Mining and quarrying”, “Manufacturing”, “Electricity, gas, steam and air conditioning supply” and “Water supply; sewerage, waste management and remediation activities”, while data on sold production of construction cover construction and non-construction activity of economic entities included in “Construction” section. This data include:
- the value of sold finished products, semi-finished products and parts of own production (regardless of whether or not payments due for the production have been received);
 - the value of paid works and services rendered, i.e. both industrial and construction, as well as non-industrial and non-construction;
 - the flat agent’s fee in the case of concluding the agreement on commission terms and full agent’s fee in the case of concluding an agency agreement;
 - the value of products in the form of settlements in kind;
 - products designated for increasing the value of own fixed assets.
12. Data on the sales in construction and assembly production concerning work carried out with own resources (i.e. without subcontractors), domestically on the basis of a contract system (i.e. for outside clients) by construction entities according to NACE Rev. 2 were included in “Construction” section, consisting of constructing buildings and structures, including the preparation through a diversified scope of terrestrial works, ground work (zero state), making load bearing elements, partitions, roof laying and covering (raw state), and assembly, installation and completion works. All the categories include works associated with building, rebuilding, extension, restoration, renovation and temporary building structures.
13. Data on retail sales include the sales of consumer and non-consumer goods carried out by retail sales outlets i.e. in shops (including public pharmacies), warehouses, repositories, petrol stations and small retail outlets (stall and portable sales outlets, pharmaceutical outlets), in catering establishments as well as in wholesale networks and at producers in quantities indicating purchases to meet the needs of individual customers.
14. Data on wholesale of commodities include the sales from own or rented warehouses in which commodities are stored, belonging to “Wholesale and retail trade; repair of motor vehicles and motorcycles” section.
- Wholesale carried out by wholesale enterprises concerns the sales of commodities by enterprises included in “Wholesale trade, except of motor vehicles and motorcycles” division.
15. The gross financial result (profit or loss) is a result on economic activity, until the end of 2015, corrected by the result of extraordinary events.
16. The net financial result (profit or loss) is obtained after deducting the obligatory encumbrances from the gross financial result.
17. Data on investment outlays include outlays on new fixed assets and (or) the improvement (enlargement, rebuilding, reconstruction, modernization) of existing capital asset items. Outlays on fixed assets include outlays on:
- buildings and structures (including buildings and places, as well as civil engineering constructions), including construction and assembly works, design and cost estimate documentation;
 - machinery, technical equipment and tools (including instruments, movables and fittings);
 - transport equipment;
 - other, i.e. detailed meliorations, costs incurred for purchasing land and second-hand fixed assets and livestock (basic herd), long-term plantings, interests on investment credits and investment loans for the period of investment realization (included exclusively in data expressed at current prices), except for interests not included in outlays on fixed assets by units that use International Accounting Standards (IAS) implemented since 1 I 2005.
- Other outlays are outlays on the so-called initial investments as well as other costs connected with investment realization. These outlays do not increase the value of fixed assets.
18. Since 1 May 2004, i.e. the day of Poland’s accession to the European Union (EU), the data on Poland’s foreign trade turnover have been based on:
- the EXTRASTAT system – based on customs declarations; the system includes trade turnover carried out between Poland and the so-called third countries, i.e. non-EU countries;
 - the INTRASTAT system – based on INTRASTAT arrival and dispatch declarations; the system includes trade turnover between Poland and other EU member states;
 - alternative data sources used to register trade in “specific goods”, i.e. electricity, gas, sea products and military goods.
- Data obtained from the combination of the above mentioned sources created a unified collection of statistical data on foreign trade turnover.

19. The value of imports is presented according to cif, i.e. including the transportation and insurance costs to the Polish border. The value of exports is presented according to fob.

20. Data on turnover by group of countries are presented in imports – according to the country of origin and in exports – according to the country of destination.

The country of origin is considered a country in which the goods were produced, processed or transformed, and in this form entered the Polish customs territory.

The country of destination is the country in which the goods are consumed, i.e. the country in which the goods are finally used, processed or transformed.

21. The M3 money supply comprises:

- currency in circulation (excluding bank vault cash);
- zloty and foreign currency deposits and other liabilities of monetary financial institutions to households, non-monetary financial institutions, non-financial corporations,

non-profit institutions serving households, local government institutions and social security funds:

- current liabilities (overnight deposits and deposits without an agreed term),
- term and blocked (deposits with an agreed maturity of up to 2 years),
- deposits redeemable at notice of up to 3 months.

- other components of M3, i.e. debt securities including up to 2 years, issued by monetary financial institutions and held by residents and non-residents, and liabilities of monetary financial institutions related to repurchase agreements and also in money market funds units (until 2011).

22. Data concerning gross domestic product and gross value added, as well as components of its distribution are compiled according to the principles of ESA 2010 (the European System of National and Regional Accounts in the European Union).

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