

Introduction

Relatively high economic growth in the first half of this year was followed by indications of economic slowdown recorded in July and August in the key economic sectors. The sold production of industry in August was at a lower level than in the corresponding month of the previous year. Retail sales and the construction and assembly production were rising at a slower pace than during the previous months. Positive tendencies continued in the labour market, although year-on-year increase of the employment was slower than in the previous months. Nominal wages and salaries in the enterprise sector grew slower, which along with the high rise of consumer prices affected lower increase of real wages and salaries.

The sold production of industry in August was 3.7% lower in annual terms. After seasonal adjustment it was 1.2% higher than in the corresponding period of the previous year. During the period of eight months of this year the production grew by 6.7% in annual terms, with 3.1% increase in the employment. As a result, labour productivity has risen by 3.5%, with average wages and salaries higher by 10.6% than in the corresponding period of the previous year. Among main industrial groupings, the high growth of sold production was recorded in enterprises producing mainly capital goods – approx. 16% rise and durable consumer goods – approx. 13% rise against period January - August of the previous year. The construction and assembly production increased in August of this year by 5.9% (after seasonal adjustment the growth reached 11.2%). After eight months of this year the production in construction was 15.4% higher than in the corresponding period of the last year.

According to the business tendency survey conducted in September of this year, manufacturing enterprises indicate decreasing current domestic and foreign order-books. These enterprises' production output forecast is still positive and similar to the expectations from the previous month. However, optimistic financial situation forecast significantly dropped. In the construction, enterprises indicate further extension of the current domestic order-books, but in the slightly less scale than in August. In the scope of production and financial situation, forecasts are still positive but more careful than in the previous months.

Retail sales grew by 3.9% in August (against 16.1% in the corresponding period of the last year) after a high dynamics recorded in consecutive months (over 10% rise in annual terms).

After seven months of this year foreign trade commodity turnover rose slower than in the corresponding period of the previous year. In spite of positive relations in foreign trade with developed countries, higher growth of imports than that of exports caused the negative balance of total turnover to become deeper. The terms of trade indicator also deteriorated (for the January-June period of this year).

In August of this year in the labour market average paid employment in the enterprise sector continued to grow (in annual terms by 4.2%) but at a lower scale than in the previous months. The registered unemployment rate fell down to reach 9.3%. According to the demand for labour survey, decrease in the number of newly created jobs was recorded in the first half of this year in comparison to the corresponding period of the last year.

In August of this year the dynamics of average monthly gross wages and salaries in the enterprise sector weakened both in nominal (growth by 9.7%) and in real terms (respectively by 4.8%). The purchasing power of gross retirement pays and pensions was higher by 5.0% than in the corresponding period last year in the employed persons system and by 0.9% in the farmers system.

The growth of consumer goods and services prices in the annual terms held on to the level observed in July and amounted to 4.8%. In the monthly terms a decrease in consumer prices was noted, which was caused by decline of prices of food and non-alcoholic beverages, clothing and footwear, as well as goods and services related to transport. In industry and in construction the continuous decrease in producers prices growth rate was observed (2.0% and 3.9%, respectively).

In August of this year in the agricultural market growing tendencies for prices of vegetable and animal products on the marketplace prevailed in annual terms, as well as for prices of pork and cattle and potatoes. Prices of milk, cereals and poultry livestock in procurement as well as cattle in the marketplace went down. According to the survey conducted in July, the pig stocks continued to fall. The preliminary results of major agricultural and horticultural crops survey indicate that the volume of the production of cereals will be similar to the last year's, with the lower production of rape and turnip rape, potatoes, sugar beets, and ground vegetables.

After eight months expenditures of the state budget were slightly higher than revenues, which resulted in slight budgetary deficit amounting to PLN 325.3 million.

Selected indicators regarding the economic situation of the country

Specification	August 2008		January–August 2008
	changes in % against:		
	August 2007	July 2008	January–August 2007
Paid employment in the enterprise sector	+4,2	0,0	+5,3
Registered unemployed persons (end of period).....	-22,9	-1,3	x
Average monthly gross wage and salary in enterprise sector	+9,7	-2,0	+11,3
of which in industry	+8,6	-2,7	+10,6
Sold production of industry (constant prices)	-3,7	-8,1	+6,7
mining and quarrying	-2,7	-11,1	+4,3
manufacturing	-3,8	-8,7	+6,9
electricity, gas and water supply	-3,1	+2,1	+4,9
Construction and assembly production (constant prices).....	+5,9	-1,7	+15,4
Dwellings completed	-8,8	-26,1	+22,5

Specification	June	July	August
	changes in % as compared with the previous month		
Prices of sold production of industry	+0,4	-0,1	+0,2
Prices of construction and assembly production	+0,3	+0,2	+0,1
Prices of consumer goods and services	+0,2	0,0	-0,4
food and non-alkoholic beverages	-0,6	-1,1	-1,6
alkoholic beverages, tobacco	+0,7	+1,1	+1,8
clothing and footwear	-0,3	-1,7	-1,8
dwelling	+0,3	+0,4	+0,3
housing, water, electricity, gas and other fuels	+0,3	+0,5	+0,4
of which electricity, gas and other fuels	+0,3	+0,6	+0,5
furnishings, household equipment and routine maintenance of the house	+0,3	+0,2	+0,1
health.....	+0,3	+0,2	+0,1
transport	+2,0	+0,5	-0,8
of which fuels for personal transport equipment.....	+3,3	+1,3	-1,9
communications	+0,4	+0,1	-0,3
recreation and culture.....	+1,0	+0,8	-0,5
education.....	+0,1	+0,1	+0,4
restaurants and hotels.....	+0,7	+0,6	+0,4
miscellaneous goods and services.....	-0,9	+0,1	+0,3

Selected indicators regarding the economic situation of the country

Specification a - 2007, b - 2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.) ... a	2365,8	2331,1	2232,5	2103,1	1985,1	1895,1	1856,1	1821,9	1777,8	1720,9	1719,4	1746,6
b	1813,4	1778,5	1702,2	1605,7	1525,6	1455,3	1422,9	1404,4				
Unemployment rate ¹⁾ (in %) a	15,1	14,8	14,3	13,6	12,9	12,3	12,1	11,9	11,6	11,3	11,2	11,4
b	11,7	11,5	11,1	10,5	10,0	9,6	9,4	9,3				
Paid employment in the enterprise sector in thous. persons a	5048	5070	5089	5105	5116	5144	5160	5182	5192	5220	5233	5241
b	5348	5371	5384	5389	5390	5391	5400	5399				
Sold production of industry ²⁾ :												
previous month=100 a	100,2	97,9	114,7	91,4	103,0	100,2	98,1	100,9	105,7	109,7	95,2	91,5
b	104,3	101,7	100,7	104,2	91,6	105,1	96,8	91,9				
corresponding month of previous year=100 a	115,4	113,0	111,3	112,6	108,1	105,6	110,4	108,9	105,4	110,8	108,5	106,4
b	110,7	115,0	101,0	115,1	102,4	107,3	105,9	96,3				
Construction and assembly production ²⁾ :												
previous month=100 a	37,9	110,5	119,0	110,6	113,2	111,2	101,4	108,5	104,1	115,4	83,7	147,5
b	35,7	125,0	114,7	117,0	107,3	115,2	98,1	98,3				
corresponding month of previous year=100 a	160,5	156,7	139,1	136,9	116,3	103,7	118,5	114,4	100,2	104,3	111,0	113,0
b	106,6	120,7	116,3	123,0	116,6	120,8	116,8	105,9				
Dwellings completed (from the beginning of year) a	10186	18903	26979	35738	44146	52828	64355	75914	86952	102935	116483	133698
b	14551	25515	35244	48937	58469	68184	82446	92986				
Price indices of consumer goods and services:												
previous month=100 a	100,4	100,3	100,5	100,5	100,5	100,0	99,7	99,6	100,8	100,6	100,7	100,3
b	100,7	100,4	100,4	100,4	100,8	100,2	100,0	99,6				
corresponding month of previous year=100 a	101,6	101,9	102,5	102,3	102,3	102,6	102,3	101,5	102,3	103,0	103,6	104,0
b	104,0	104,2	104,1	104,0	104,4	104,6	104,8	104,8				
December of previous year=100 a	100,4	100,7	101,1	101,6	102,2	102,2	101,9	101,6	102,3	103,0	103,7	104,0
b	100,7	101,1	101,5	101,8	102,6	102,9	102,8	102,4				
Price indices of sold production of industry:												
previous month=100 a	100,6	100,3	100,5	100,5	100,4	100,5	100,3	100,3	100,0	99,7	99,9	99,3
b	101,2	100,6	100,2	99,9	100,8	100,4	99,9	100,2				
corresponding month of previous year=100 a	103,1	103,5	103,3	102,2	102,1	101,7	101,4	101,8	101,8	102,0	102,5	102,3
b	102,9	103,2	102,9	102,3	102,7	102,6	102,1	102,0				
Price indices of construction and assembly production:												
previous month=100 a	100,5	100,8	101,0	101,1	101,1	100,9	100,6	100,6	100,5	100,5	100,2	100,2
b	100,3	100,5	100,4	100,4	100,3	100,3	100,2	100,1				
corresponding month of previous year=100 a	104,8	105,6	106,5	107,3	108,1	108,7	108,9	109,0	108,8	108,6	108,6	108,4
b	108,1	107,7	107,1	106,3	105,5	104,8	104,4	103,9				

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

²⁾ Indices were calculated in constant prices of 2000.

(cont.)

Specification a - 2007, b - 2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Average monthly nominal gross wage and salary in the enterprise sector ¹⁾ (in zł)	a	2663,55	2687,48	2852,71	2786,29	2776,92	2869,69	2893,71	2885,97	2858,83	2951,67	3092,01	3246,00
	b	2969,65	3032,70	3144,41	3137,74	3069,43	3215,32	3228,98	3165,14				
previous month=100	a	88,0	100,9	106,1	97,7	99,7	103,3	100,8	99,7	99,1	103,2	104,8	105,0
	b	91,5	102,1	103,7	99,8	97,8	104,8	100,4	98,0				
corresponding month of previous year=100	a	107,8	106,4	109,1	108,4	108,9	109,3	109,3	110,5	109,5	111,0	112,0	107,2
	b	111,5	112,8	110,2	112,6	110,5	112,0	111,6	109,7				
Average monthly real gross wage and salary in the enterprise sector monthly average of 2000=100	a	111,6	112,4	118,7	115,4	114,5	118,2	119,4	119,5	117,5	120,6	125,7	131,7
	b	119,8	121,8	125,8	125,2	121,4	126,9	127,4	125,4				
Profitability rate of gross turnover ²⁾ - from the beginning of year (in %)	a	.	.	6,1	.	.	6,5	.	.	6,4	.	.	6,1
	b	.	.	5,8	.	.	6,0	.	.				
Profitability rate of net turnover ³⁾ - from the beginning of year (in %)	a	.	.	4,9	.	.	5,3	.	.	5,2	.	.	5,0
	b	.	.	4,6	.	.	4,8	.	.				
State budget balance - from the beginning of year (in mn zł)	a	3144,1	-2992,3	-5177,0	-2090,9	-4297,2	-3646,6	541,3	304,1	178,9	-4403,9	-6024,8	15956,4
	b	4407,3	-136,6	1802,9	554,3	-1876,9	-3380,7	-2744,7	-325,3				
Average exchange rates in zł – National Bank of Poland:													
100 US dollars	a	298,37	298,05	293,59	282,79	279,97	283,99	275,00	279,81	272,86	260,42	249,15	247,54
	b	245,37	243,05	228,16	218,52	219,04	216,94	206,74	219,26				
100 EUR	a	387,87	389,58	388,69	381,92	378,24	380,79	376,85	381,00	378,99	370,52	365,56	360,42
	b	360,80	358,25	353,74	344,44	340,69	337,60	326,00	328,84				
Foreign trade in mn zł													
exports	a	29591,6	29800,9	34261,5	30665,1	32077,8	32169,4	31487,5	31682,3	33712,0	37949,7	35139,0	28018,8
	b	33127,4	35093,4	33694,8	36823,8	31875,7	33782,1	32007,6	.				
imports	a	34425,0	33553,3	40308,0	36233,8	37771,0	38482,2	38662,5	35653,3	39623,0	43880,5	41968,5	36267,3
	b	38432,7	40534,6	41121,3	43067,6	38746,0	40431,8	38841,8	.				
balance	a	-4833,4	-3752,4	-6046,5	-5568,7	-5693,2	-6312,8	-7175,0	-3971,0	-5911,0	-5930,8	-6829,5	-8248,5
	b	-5305,3	-5541,2	-7426,5	-6243,8	-6870,3	-6649,7	-6834,2	.				

¹⁾ Including contributions to compulsory social security.

²⁾ Relation of gross financial result to revenues from total activity.

³⁾ Relation of net financial result to revenues from total activity.