

Introduction

In the 1st quarter of 2010, the recovery symptoms in some areas of the economy, observed in the last months of the previous year, strengthened. A year-on-year growth in sold production of industry, as well as in the sales of transport services, was higher than in the 4th quarter. However, in construction a deep decline in sales took place, which was partly connected with very unfavourable weather conditions. The scale of decline in employment in the enterprise sector was gradually dropping. Average wages and salaries, following the weakening in the first two months, grew considerably faster in March, however their purchasing power in the 1st quarter of 2010, despite the growth in consumer prices being slower than in the previous quarters, was slightly below the level observed a year before. The registered unemployment rate in March declined slightly in relation to the preceding month, but it was higher than a year before. On the Warsaw Stock Exchange the upward tendency in share prices maintained, and the basic stock exchange indices increased in annual terms.

Sold production of industry reached the level by 9.4% higher than in the 1st quarter of the previous year. Among the main industry groupings, a considerable growth was observed in entities producing mainly durable consumer goods. A high dynamics, following a decline recorded a year before, was achieved by entities producing intermediate and capital goods. The recovery in industry took place in many divisions, especially those having a considerable share of export sales. However, in construction a deep drop in production was recorded, as compared to the 1st quarter of the previous year, which resulted, among others, from the weakening of the investment activity and from the meteorological conditions particularly unfavourable to construction works, which maintained until the middle of March. Sold construction and assembly production in the 1st quarter of 2010 was by 15.2% lower than a year before (in the period from January to February of 2010, a drop of 20.9%, respectively). Retail sales, following two months of decline, grew considerably in March, and in the 1st quarter they were slightly above the level recorded a year before. Recovery symptoms occurred also in transport, in which the sales of services were higher than a year earlier, despite unfavourable weather conditions.

In April of 2010, the assessments of the general business tendency climate, formulated by enterprises, are positive and better than a month before. In industry and in construction, under the conditions of a relatively low exploitation of production capacity, it is projected that both production and order book will be extended. The forecasts regarding the financial situation are also favourable, and the projections concerning employment have improved. Retail trade units formulate positive projections concerning sales and orders placed with suppliers. Enterprises operating in all areas are optimistic about the future economic situation.

In the period from January to February of 2010, a faster growth in exports than in imports was recorded in the commodity turnover in foreign trade in annual terms. As a result, the negative balance of commodity turnover improved. The turnover increased with Central and Eastern European countries (especially in imports), as well as with developing countries (especially in exports). A slight decline in turnover expressed in PLN with EU countries was recorded, though the balance of turnover remained positive.

Producer prices in industry were lower than a year before (by 1.5%), which was influenced by the considerable price drop in manufacturing, and in particular in manufacture of motor vehicles, trailers and semi-trailers, food products, and metal products. In the third quarter in a row, a drop in the prices of construction and assembly production was recorded (of 0.6%), though it was slightly weaker than in the 2nd half of the previous year.

In agriculture, under the conditions of high supply of cereals, in the 1st quarter of 2010 the prices of wheat and rye were lower than a year before. The prices of pigs for slaughter on both markets were also considerably lower than in the 1st quarter of the previous year. The procurement prices of poultry for slaughter and the marketplace prices of piglets for further breeding also declined. With lower supplies for procurement, the prices of milk increased. The preliminary survey on winter survival of crops indicates a much worse condition than a year before of rape and turnip rape, as well as of rye, and a slightly worse condition of other winter cereals.

The prices of consumer goods and services in the 1st quarter of 2010 grew, in annual terms, to the lowest extent since the 3rd quarter of 2007 (3.0%), among others due to the slowing down in the price dynamics of food and non-alcoholic beverages, and in the scope of dwellings. The growth rate in average nominal gross wages and salaries in the enterprise sector was also lower than in the previous periods (2.8%). As a result, despite the lower price growth, the real gross wages and salaries slightly declined in annual terms (by 0.2%). A growth in average real gross retirement pays and pensions maintained in both systems.

A decline in average employment in the enterprise sector, observed in the 1st quarter of 2010, was slightly lower than in the 4th quarter of the previous year (1.3% against 2.0%). As a result of a considerable growth in the number of persons removed from unemployment rolls in March this year, the unemployment rate slightly dropped (to 12.9%), but it was by 1.8 percentage point higher than a year before.

The State budget revenues in the period from January to March of 2010 amounted to PLN 57.0 billion, and the expenditures to PLN 79.7 billion. As a result, the budget closed with a deficit of PLN 22.7 billion, which accounted for 43.5% of the amount assumed in the Budget Act for 2010.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2009, b - 2010		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.)	a	1634,4	1718,8	1758,8	1719,9	1683,4	1658,7	1676,1	1689,0	1715,9	1744,3	1811,1	1892,7
	b	2052,5	2101,5	2076,7									
Unemployment rate ¹ (in %)	a	10,4	10,9	11,1	10,9	10,7	10,6	10,7	10,8	10,9	11,1	11,4	11,9
	b	12,7	13,0	12,9									
Paid employment in the enterprise sector in thous. persons	a	5374	5352	5325	5309	5292	5280	5273	5270	5267	5267	5265	5255
	b	5301	5293	5294									
Sold production of industry ² :													
previous month=100	a	93,7	102,4	115,6	93,1	98,2	106,0	97,4	95,6	115,0	101,9	96,8	94,6
	b	94,6	103,1	118,9									
corresponding month of previous year=100	a	84,7	85,4	98,1	87,8	94,8	95,5	95,6	100,1	98,7	98,7	109,9	107,4
	b	108,5	109,2	112,3									
Construction and assembly production ² :													
previous month=100	a	37,9	117,2	115,1	112,0	107,7	116,2	105,5	99,2	106,1	107,6	85,5	141,0
	b	31,1	104,2	136,2									
corresponding month of previous year=100	a	107,4	101,9	101,2	100,5	100,3	100,5	110,7	111,0	105,7	102,7	109,9	103,2
	b	84,7	75,3	89,2									
Dwellings completed (from the beginning of year)	a	22096	31833	41498	54391	64300	76147	91619	103187	114841	130353	143922	160002
	b	11681	21697	33902									
Price indices of consumer goods and services:													
previous month=100	a	100,5	100,9	100,7	100,7	100,5	100,2	100,1	99,6	100,0	100,1	100,3	100,0
	b	100,6	100,2	100,3									
corresponding month of previous year=100	a	102,8	103,3	103,6	104,0	103,6	103,5	103,6	103,7	103,4	103,1	103,3	103,5
	b	103,5	102,9	102,6									
December of previous year=100	a	100,5	101,3	102,0	102,7	103,2	103,4	103,5	103,1	103,1	103,3	103,5	103,5
	b	100,6	100,9	101,2									
Price indices of sold production of industry:													
previous month=100	a	102,3	102,6	100,0	99,1	99,7	100,8	98,5	99,6	99,8	100,4	99,6	99,8
	b	100,4	99,9	100,0									
corresponding month of previous year=100	a	103,6	105,7	105,5	104,8	103,7	104,1	102,8	102,2	101,6	102,0	101,9	102,1
	b	100,2	97,6	97,6									
Price indices of construction and assembly production:													
previous month=100	a	99,9	99,8	99,9	99,9	99,8	100,0	99,9	99,9	100,0	100,1	100,1	100,0
	b	99,8	99,9	100,0									
corresponding month of previous year=100	a	102,4	101,8	101,3	100,7	100,3	99,9	99,6	99,3	99,2	99,1	99,2	99,3
	b	99,3	99,4	99,4									

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

² Indices were calculated in constant prices of 2005.

(cont.)

Specification a - 2009, b - 2010		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	3215,75	3195,56	3332,65	3294,76	3193,90	3287,88	3361,90	3268,69	3283,18	3312,32	3403,92	3652,40
	b	3231,13	3288,29	3493,42									
previous month=100	a	93,8	99,4	104,3	98,9	96,9	102,9	102,3	97,2	100,4	100,9	102,8	107,3
	b	88,5	101,8	106,2									
corresponding month of previous year=100	a	108,1	105,1	105,7	104,8	103,8	102,0	103,9	103,0	103,3	102,0	102,3	106,5
	b	100,5	102,9	104,8									
Average monthly real gross wage and salary in the enterprise sector monthly average of 2000=100	a	117,5	115,9	120,1	117,9	113,8	116,9	119,5	116,6	117,1	118,0	121,0	130,0
	b	114,4	116,2	123,1									
Profitability rate of gross turnover ² - from the beginning of year (in %)	a	.	.	3,0	.	.	4,9	.	.	5,2	.	.	5,0
Profitability rate of net turnover ³ – from the beginning of year (in %)	a	.	.	2,2	.	.	4,0	.	.	4,2	.	.	4,1
State budget balance - from the beginning of year (in mn zł)	a	2918,0	-5250,9	-11219,8	-15306,1	-16356,7	-16629,2	-15037,1	-15655,8	-21343,7	-23918,6	-24342,1	-23790,0
	b	-4779,2	-16835,6	-22706,5									
Average exchange rates in zł – National Bank of Poland:													
100 US dollars	a	317,17	363,14	354,12	334,80	323,37	321,46	305,96	289,56	285,95	284,69	279,90	283,52
	b	285,18	293,85	286,72									
100 EUR	a	421,81	464,42	462,37	441,93	441,05	450,81	430,53	413,11	416,35	421,73	417,34	414,27
	b	407,20	401,55	389,19									
Foreign trade ⁴ in mn zł													
exports	a	29820,5	34324,7	38457,6	34124,4	33565,5	36175,3	34951,4	30429,0	38165,7	39658,1	36786,2	30592,7
		32110,4	34224,3	.									
imports	a	34094,1	36676,3	41939,9	37699,2	36155,0	39658,7	38771,4	34008,2	39524,4	41862,5	39299,6	35076,8
		34821,8	36861,7	.									
balance	a	-4273,6	-2351,6	-3482,3	-3574,8	-2589,5	-3483,4	-3820,0	-3579,2	-1358,7	-2204,4	-2513,4	-4484,1
		-2711,4	-2637,4	.									

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.⁴ For 2009 – temporary data.