

Introduction

In the 1st quarter of 2011, a strengthening of economic dynamics was observed in many areas. Sold production of industry and construction, as well as the sales of transport and communications services grew faster than in the 4th quarter of the previous year. However, the growth rate of retail sales was slightly slower. The gradual increase in employment in the enterprise sector maintained, and in March a seasonal drop in unemployment was recorded. Under the conditions of growing inflation, the dynamics of the purchasing power of average monthly wages and salaries in the enterprise sector, as well as of retirement pays and pensions, was weaker than in the 4th quarter of the previous year.

Sold production of industry reached the level by 9.2% higher than in the 1st quarter of the previous year. Among the main industry groupings, the highest dynamics was recorded in the scope of production of intermediate and capital goods. The sales of goods related to energy was lower than a year before. Construction and assembly production in the 1st quarter of 2011 grew by 18.8% in relation to the very low level recorded a year before, which was influenced, to a large extent, by the high dynamics in the entities dealing mainly with civil engineering and specialised construction activities.

In subsequent months of 2011, an acceleration of the growth rate of producer prices in industry, which had started in the previous year, was observed (to 9.3% in March, compared to the drop of 2.6% respectively a year before), as a result of which their dynamics in the 1st quarter of 2011 was considerably higher than in the previous periods. A high price growth was still observed in mining and quarrying, and the prices in manufacturing grew faster than in the preceding periods. In construction, a slight price growth maintained. The prices of consumer goods and services in the period from January to March of 2011 grew faster, in annual terms, than in the subsequent periods of the previous year, and an especially high growth was recorded in March – 4.3%. The highest increase concerned prices related to transport, food and non-alcoholic beverages, as well as prices associated with dwelling.

The results of the April's survey indicate favourable assessments of the general business tendency climate in enterprises. In manufacturing, apart from extending the current and future order books and production, an improvement, among others, in the timely settlement of financial liabilities is expected. An improvement in the construction indicator is influenced by more favourable expectations than a month before, and by less pessimistic current assessments – especially concerning production and the order-books. In retail trade, positive indications related, among others, to the future demand for goods

and to future sales improved, while a further price growth is still expected, especially in food branch. Consumer confidence is slightly less pessimistic than in March of 2011.

Average employment in the enterprise sector was still growing, and in the 1st quarter of 2011 it was by 4.1% higher than a year before, and a growth in average employment was observed in most sections. In March of 2011, the unemployment rate slightly dropped in comparison with February of 2011, but it was slightly higher than a year before (13.1% against 13.0%).

The growth rate of average monthly nominal gross wages and salaries in the enterprise sector in the 1st quarter of 2011 was still slightly slower than in the period from October to December of the previous year. Due to the progressive growth in the prices of consumer goods and services, the purchasing power of average wages and salaries only slightly exceeded the level recorded a year before (by 0.4%). The dynamics of social benefits was also weaker than in the 4th quarter of the previous year, with average real retirement pays and pensions of individual farmers falling below the level recorded a year before.

The situation in agriculture in the period from January to March of 2011 was influenced by the upward price tendency of most basic agricultural products. Both in procurement and on marketplaces, the prices of cereal were considerably higher than a year before; however, in March a drop in those prices was recorded in procurement, in comparison with February of 2011. Animals for slaughter as well as milk cost more than in the 1st quarter of the previous year. With an exceptionally high level of cereal prices, the relation of livestock prices to cereal prices was unfavourable to livestock producers.

In the period from January to February of 2011, a higher growth in the commodity turnover of foreign trade was recorded on the exports side than on the imports side. As a result, the negative balance of total commodity turnover improved, mainly due to a more favourable balance with developed countries (including with the EU). A considerable growth was observed in turnover with the Central and Eastern European countries. A growth in the prices of imported goods was higher than that of exported goods.

The deficit of the State budget after three months of 2011 amounted to PLN 17.3 billion, accounting for 43.1% of the amount assumed in the Budget Act.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2010, b - 2011	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Registered unemployed persons (in thous.) a	2052,5	2101,5	2076,7	1973,8	1907,9	1843,9	1812,8	1800,2	1812,6	1818,6	1858,3	1954,7
..... b	2105,0	2150,2	2133,9									
Unemployment rate (in %) a	12,9	13,2	13,0	12,4	12,1	11,7	11,5	11,4	11,5	11,5	11,7	12,3
..... b	13,0	13,2	13,1									
Paid employment in the enterprise sector in thous. persons a	5301	5293	5294	5308	5320	5336	5350	5352	5364	5375	5381	5379
..... b	5501	5513	5509									
Sold production of industry ¹ :												
previous month=100 a	94,6	103,1	119,1	90,8	101,6	106,8	94,1	98,2	113,1	98,4	98,6	95,8
..... b	93,7	103,3	115,3									
corresponding month of previous year=100 a	108,5	109,2	112,5	109,7	113,5	114,3	110,5	113,6	111,8	108,0	110,0	111,4
..... b	110,3	110,5	107,0									
Construction and assembly production ¹ :												
previous month=100 a	31,1	104,2	136,2	117,8	117,5	124,5	97,0	106,7	111,0	103,8	89,2	138,7
..... b	30,7	111,5	142,4									
corresponding month of previous year=100 a	84,7	75,3	89,1	93,7	102,3	109,6	100,8	108,4	113,4	109,4	114,2	112,3
..... b	111,0	118,7	124,2									
Dwellings completed (from the beginning of year) a	12791	22655	34047	44852	53838	63779	75441	85990	97674	109414	121632	135835
..... b	9306	17812	27768									
Price indices of consumer goods and services:												
previous month=100 a	100,6	100,2	100,3	100,4	100,3	100,3	99,8	99,6	100,6	100,5	100,1	100,4
..... b	101,2	100,2	100,9									
corresponding month of previous year=100 a	103,5	102,9	102,6	102,4	102,2	102,3	102,0	102,0	102,5	102,8	102,7	103,1
..... b	103,6	103,6	104,3									
December of previous year=100 a	100,6	100,9	101,2	101,6	101,9	102,2	102,0	101,5	102,1	102,6	102,8	103,1
..... b	101,2	101,4	102,3									
Price indices of sold production of industry:												
previous month=100 a	100,4	99,9	99,8	101,4	102,0	101,0	100,1	99,8	100,1	100,0	100,4	101,2
..... b	100,4	101,2	101,4									
corresponding month of previous year=100 a	100,2	97,6	97,4	99,6	101,9	102,1	103,8	104,0	104,3	103,9	104,7	106,2
..... b	106,2	107,5	109,3									
Price indices of construction and assembly production:												
previous month=100 a	99,8	99,9	100,0	100,1	100,1	100,1	99,9	100,0	100,0	100,0	100,0	100,1
..... b	100,1	100,1	100,2									
corresponding month of previous year=100 a	99,3	99,4	99,5	99,7	100,0	100,1	100,2	100,2	100,2	100,1	100,0	100,0
..... b	100,3	100,4	100,6									

¹ Indices were calculated in constant prices of 2005.

(cont.)

Specification a - 2010, b - 2011	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Average monthly nominal gross wage and salary in the enterprise sector (in zł)	a	3231,13	3288,29	3493,42	3398,67	3346,61	3403,65	3433,32	3407,26	3403,68	3440,22	3525,67	3847,91
	b	3391,59	3422,14	3633,54									
previous month=100	a	88,5	101,8	106,2	97,3	98,5	101,7	100,9	99,2	99,9	101,1	102,5	109,1
	b	88,1	100,9	106,2									
corresponding month of previous year=100	a	100,5	102,9	104,8	103,2	104,8	103,5	102,1	104,2	103,7	103,9	103,6	105,4
	b	105,0	104,1	104,0									
Average monthly real gross wage and salary in the enterprise sector monthly average of 2000=100	a	114,4	116,2	123,1	119,3	117,2	118,8	120,1	119,6	118,8	119,6	122,5	133,2
	b	116,0	116,8	123,0									
Profitability rate of gross turnover ¹ - from the beginning of year (in %)	a	.	.	5,0	.	.	5,3	.	.	5,5	.	.	5,3
Profitability rate of net turnover ² – from the beginning of year (in %)	a	.	.	4,0	.	.	4,4	.	.	4,6	.	.	4,4
State budget balance - from the beginning of year (in mln zł)	a	-4779,2	-16835,6	-22707,6	-26957,0	-32046,2	-36800,3	-34870,3	-36975,9	-39535,5	-41890,2	-42613,1	-44591,3
	b	-2762,0	-14409,2	-17321,4									
Average exchange rates in zł – National Bank of Poland:													
100 US dollars	a	285,18	293,85	286,72	287,99	321,37	335,71	319,50	308,94	303,18	284,82	289,13	301,97
	b	291,48	287,87	286,88									
100 EUR.....	a	407,20	401,55	389,19	387,04	405,21	410,25	408,18	398,72	395,58	395,62	395,31	399,59
	b	389,69	392,86	401,74									
Foreign trade ³ in mln zł													
exports	a	33217,6	35920,2	39696,7	37753,4	39388,7	43366,3	39963,8	37287,5	43214,4	42709,7	40173,6	36460,2
		38707,4	38026,4	.									
imports	a	36134,4	39652,2	44642,7	41050,9	43812,0	46139,4	44725,1	42726,4	47223,3	46889,5	47121,9	42878,4
		41015,9	39280,4	.									
balance	a	-2916,8	-3732,0	-4946,0	-3297,5	-4423,3	-2773,1	-4761,3	-5438,9	-4008,9	-4179,8	-6948,3	-6418,2
		-2308,5	-1254,0	.									

¹ Relation of gross financial result to revenues from total activity.² Relation of net financial result to revenues from total activity.³ Preliminary data.