

## GENERAL NOTES

1. Data in Statistical Bulletin is presented according to Polish Classification of Activities (PKD) — fully adapted to NACE, compiled on the European Community EUROSTAT, "Nomenclature des Activites de Communaute Europeenne — **NACE** rev. I". PKD has been implemented by Resolution of the Council of Ministers dated 7 October 1997 on Polish Classification of Activities.

Statistical data is presented following the NACE scheme — by sections, divisions and — in some cases — by groups.

2. Presented data covers units of the national economy regardless of ownership, that is, included in the public and private sectors. The public sector includes units of state ownership, units of territorial self — government administration ownership and "mixed" ownership with a public sector unit capital majority. The private sector includes unit of private domestic ownership (among others: cooperatives, natural persons carrying out economic activities, social organizations, associations, foundations), private foreign ownership (among others: foreign enterprises branches, foreign representatives, partnerships with exclusive foreign capital share) and "mixed" ownership with a private sector unit capital majority.

3. Data is compiled according to the respective organizational status of units of the national economy.

4. The term **entities of the national economy** is understood as legal entities, i.e.: legal persons, organizational entities without legal personality as well as natural persons conducting economic activity.

5. The term **economic entities** is understood as entities conducting economic activity, i.e., production and service activity on their own-account in order to earn a profit.

6. In the Statistical Bulletin, monthly and quarterly data in regard to:

- 1) employees, employment as well as wages and salaries concern entities of the national economy which employ more than 5 persons to the end of 1999 and from 2000 — 9 persons; data does not include persons employed abroad (excluding employees) or in social and political organizations, trade unions, etc.

In quarterly periods only average monthly total wages and salaries include complete statistical population;

- 2) financial results of non-financial enterprises cover economic units maintaining accounting records and which are obligated to prepare quarterly reports on income, costs and the financial result — F-01/I-01 (with the exception of units in which the principal activity is classified as "Agriculture, hunting and forestry", and "Fishing" according to the NACE), furthermore data from 1999 in all kinds of activities refer to those units, in which the number of employees exceeds 49 persons.

Since 1999, activity classified as "Financial intermediation" according to the NACE, has also been excluded;

3) investment outlays and newly started investments refer to units of the national economy, furthermore data to the end of 1999 concerning:

- mining and quarrying and manufacturing refer to those units, in which the number of employees exceeds 50 persons,
- other kinds of activities refer to those units, in which the number of employees exceeds 20 persons,

but from 2000 in all kinds of activities refer to those units, in which the number of employees exceeds 49 persons;

4) procurement of agricultural products:

- for monthly periods concerns data reported on the quantity of procurement by legal persons and independent organizational entities without legal personality,
- for semi-annual periods (with a one month delay) data includes revisions resulting from reports for the semi-annual periods and also includes procurement by natural persons when its value exceeds 10 thous. zł.

Index numbers are compiled in comparable conditions on the basis of data reported; after half-year periods — with the correction revisions from reporting half-year system;

5) sold production of industry and of assembly-construction, and wholesale and retail sale of goods cover those economic units, in which the number of employees exceeds 5 persons, to the end of 1999 and from 2000 — 9 persons;

6) production of products and stocks of products refer to entities — producers of industrial products (all kinds of activities refer to those units), in which the number of employees exceeds 49 persons;

7) deliveries of goods for domestic supply cover economic units, in which the number of employees to the end of 1999 exceeds 50 persons in mining and quarrying and manufacturing, and in other kinds of activities — 20 persons, but from 2000 in all kinds of activities — 49 persons;

8) transport of goods and passengers includes transport services rendered by transport enterprises, in which the number of employees to the end of 1999 exceeds 5 persons, and from 2000 — 9 persons;

9) goods loaded and unloaded in commercial seaports covers sea and intradomestic transshipment accomplished by all units, operating at commercial seaports.

**7. Annual data** in the Statistical Bulletin is presented:

- 1) in comparable conditions with monthly and quarterly data, nevertheless grand totals of selected monthly and quarterly data may differ from data on an accrued base; annual data presented in the second half of the year (corrected data) may differ in the subject scope in comparison with monthly data for this year;
- 2) in selected tables — in addition — for complete statistical population in relation to subjects, that is, covering all units, regardless the number of employees as well as in relation to objects;
- 3) in tables referring to procurement of agricultural products (table 42) and production of products (table 45) annual data is revised in the second half year by the results including:
  - in the case of procurement, in addition, natural persons conducting procurement (see item 6.4 of general notes),
  - in the case of production of products, in addition, producers of industrial products, in which the number of employees exceeds 9 persons and not higher than 49 persons. Indices are calculated in comparable conditions on the basis data from reporting of monthly system.

**8.** The category — enterprise sector — used in the Bulletin, indicates those units which carry out economic activities in the following areas: forestry, logging and related service activities; sea fishing; mining, quarrying; manufacturing; electricity, gas and water supply; construction; whole sale and retail trade; repair of motor vehicles, motorcycles and personal and household goods; hotels and restaurants; transport, storage and communication; real estate activities, renting of machinery and equipment without an operator as well as renting of articles of personal and home use, computers and similar activity, other activity connected with operating a business; sewage and refuse disposal, sanitation and similar activities; recreational, cultural and sporting activities and other service activities.

**9.** The category — industry — used in the Bulletin, refers to the NACE (rev. 1) sections: "Mining and quarrying", "Manufacturing" and "Electricity, gas and water supply".

**10.** The value of production and volume indices, if not indicated otherwise, are not seasonally adjusted.

**11.** Ratios of production seasonally adjusted using the TRAMO/SEATS method, contain the trend and irregular component. Seasonal adjustment consists in elimination of the calendar variability effect and the variability of working days (changes of working time in succeeding months) and seasonality effect (annual, regular deviations trend, observed in annual cycle).

**12.** In the tables — unless otherwise stated — data in terms of value and structural indicators is presented at current prices and index numbers, on the basis of value at constant prices. As constant prices in 1999 and 2000 — 1995 constant prices (1995 average current prices), since 2001 — 2002 constant prices (2000 average current prices) excluding foreign trade turnover in the case of which, beginning from 1993 as well as investment expenditures since 1996 as constant prices, current prices were used from the year preceeding the surveyed year.

**13.** In the case of methodological changes and changes in the system of constant prices, indices are calculated using the chain-base index method.

**14.** Data by the NACE section, division and group and by voivodship is compiled following the enterprise method.

**15.** Some figures are provisional and may be subject to revision in next editions of the Statistical Bulletin. Such revised data will be marked with sign „\*”.

**16.** Due to electronic data processing technology, in selected cases the grand totals for voivodships or for lower NACE classification level, due to number roundings, may differ from the figure ”Poland — total” or ”total” at higher NACE classification levels.

**17.** Relative numbers (indices, percentages) are calculated, as a rule, on the basis of absolute data expressed with higher precision than that presented in tables.

**18.** In tables presenting monthly data on the side, when such data is not available, quarterly data is shown in the line of the month ending a given quarter.

**19.** The order of products and goods are presented on the basis of the Polish Classification of Products and Services (PKWiU), introduced on 1 July 1997 by a decree of the Council of Ministers, dated 18 March 1997 with later amendments. PKWiU is compiled on the basis the following international classifications and nomenclatures NACE, CPA and PRODCOM.

**20.** In regard to NACE and the Polish Classification of Products and Services (PKWiU), abbreviations are used in the Statistical Bulletin which are marked in the tables with the sign „Δ”. The abbreviations and their complete names are given below:

**abbreviation****complete name****sections of the NACE**

trade and repair	wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
x	real estate, renting and business activities
x	public administration and defence; compulsory social security

**divisions of the NACE**

manufacture of wearing apparel and furriery	manufacture of wearing apparel; dressing and dyeing of fur
processing of leather and manufacture of leather products	tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear
manufacture of wood and wood, straw and wicker products	manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
manufacture of pulp and paper	manufacture of pulp, paper and paper products
x	publishing, printing and reproduction of recorded media
manufacture of coke, refined petroleum products	manufacture of coke, refined petroleum products and nuclear fuel

manufacture of metal products

x

x

x

manufacture of fabricated metal products,  
except machinery and equipment

manufacture of machinery and equipment n.e.c.

manufacture of electrical machinery and  
apparatus n.e.c.

manufacture of furniture; manufacturing n.e.c.

sale and repair of motor vehicles; retail sale of  
automotive fuel

sale, maintenance and repair of motor vehicles  
and motorcycles; retail sale of automotive fuel

wholesale and commission trade

wholesale trade and commission trade, except of  
motor vehicles and motorcycles

retail trade; repair of personal and household  
goods

retail trade, except of motor vehicles and  
motorcycles; repair of personal and households  
goods

auxiliary transport activities; tourism  
organization

supporting and auxiliary transport activities;  
activities of travel agencies

### **the NACE groups**

building constructions; civil engineering

building of complete construction or parts there  
of; civil engineering

### **products**

margarine and spreads

margarine and reduced and low fat spreads,  
excluding liquid margarine

milk

processed liquid milk

butter	butter and other fats from milk
fruit wines	fermented beverages excluding grape must and mead
particle board	particle board and similar board of wood
fibreboards	fibreboards of wood or other wood derivated materials
chemical wood pulp	soda or sulfate chemical wood pulp other than for dissolving grades
coke	coke and semi-coke obtained, from coal, lignite or peat; retort carbon
polyvinyl chloride	polyvinyl chloride not mixed with any other substances, in primary forms
metallurgic aluminium	unwrought metallurgic aluminium, technically pure
zinc	zinc technically pure
refined copper	cathodes and part of cathodes of refined copper
vacuum cleaners	household vacuum cleaners
lead (acid) accumulators	lead-acid accumulators lead (acid) used for starting piston engines
passenger cars	passenger cars general purpose

21. Broader information and detailed methodological description are published in methodological volumes and branch statistical publications of the Central Statistical Office.

## SYMBOLS

- (—) – magnitude zero
- (0) – magnitude not zero, but less than 0,5 of unit.
- (0,0) – magnitude not zero, but less than 0,05 of unit.
- (.) – data not available or not reliable.
- x – not applicable.
- \* – data revised.
- Δ – categories of applied classification are presented in abbreviated form.
- – data (indices) is not comparable with data for earlier periods
- ⌈Γ – term „of which”; indicates that not all elements of sum are given.
- A – corresponding period of previous year = 100
- B – previous period = 100.
- C – December of previous year = 100.
- I – monthly average of 2000 = 100.



## METHODOLOGICAL NOTES

1. Data concerning gross domestic product and gross value added as well as components of its distribution are compiled according to the principles of the "SNA 1993" and "ESA 1995".

Gross domestic product illustrates the final result of the activity of all entities of the national economy. The basic component of gross domestic product, in regard to its generation is the sum of gross value added of all sections (divisions) of the national economy, increased by taxes on products less subsidies on products.

Gross value added is the difference between gross output and intermediate consumption.

Gross output and gross value added are presented in basic prices, and intermediate consumption - at purchasers' prices.

Estimates of the components of distribution of GDP are compiled separately for: final consumption expenditure (individual consumption expenditure of households sector as well as group, i.e., general government final consumption expenditure and consumption expenditure of non-profit institutions serving households), as well as gross capital formation (gross fixed capital formation and change in inventions).

The final work of the estimation of GDP is to achieve the consistency from the generation of GDP and the estimates of the components of distribution, including the net exports.

Methodological notes concerning the compilation of the quarterly GDP estimates from generation and distribution sides have been published in "Rachunki kwartalne produktu krajowego brutto w latach 1995-2002" [Gross domestic product by quarters for the years 1995-2002], GUS, Warszawa 2003.

As a result of the changes presented beneath, which were introduced into annual accounts, beginning with data for the year 2000:

- changing the recording of transactions in the accounts of general government sector from cash basis on an accrual basis,
  - doing the valuation of fixed assets according to market prices,
  - doing the valuation of dwelling services by user cost method,
- the revision on of the accounts by quarters was also done.

2. Data concerning:

- 1) population for the years 1995–1999 is compiled as estimates on the basis of results of the 1988 National Population Census, since 2000 – of the 2002 Population and Housing Census and current reporting data on vital statistics and population migration;

2) births and deaths (including infant deaths) — is calculated according to the definition of infant birth and death — recommended by the World Health Organization (WHO).

**3.** Data on employed persons includes those employed on a full and part-time basis in the main place of work.

Employed persons include:

- 1) persons employed on the basis of a labour contract;
- 2) owners and co-owners of units engaged in economic activities including contributing family members;
- 3) outworkers;
- 4) agents and persons employed by agents;
- 5) members of agricultural production co-operatives.

Data presented in the Bulletin does not include private farmers or employees of budget entities conducting activity within the scope of national defence and public safety.

**4.** Data on average paid employment includes persons employed on the basis of a labour contract on a full and part-time basis, converted to full-time work period.

**5.** Data of registered unemployment covers persons registered in powiats labour offices.

Since 1997 registered unemployment has not included persons directed to training or practice at employers.

The unemployed persons without benefits are the persons registered in employment offices, in search for work, who either lost or did not acquire rights to benefits.

Unemployment rate was compiled as a ratio of registered unemployed persons to the economically active civil population.

Data concerning the registered unemployment rate are presented after taking into account the verified number of persons employed in private farms. The number is a component of the economically active civil population. The verification of the number of the employed was done on the basis of the results of the 2002 Population and Housing Census and 2002 Agricultural Census.

**6.** Data on the economic activity of the population, aged 15 and older, is compiled on the basis of Labour Force Survey (LFS), which is conducted quarterly. The survey includes the members of randomly selected households. The LFS counts as employed, persons who within the surveyed week:

— worked earning income or wages or helped in the family economic activity,

— did not work (for example, due to illness, vacation, strike), but formally had a job.

An unemployed person is a person, who within the period of the surveyed week did not work, actively sought work and was available for work. Since the I quarter of 2001 the population of unemployed persons, in compliance with the Eurostat recommendation, has been limited to persons aged 15—74 years.

The activity rate is calculated as the share of the economically active persons, aged 15 and older, in a total and in a given group.

The employment rate is calculated as the share of the employed persons, aged 15 and older, in a total and in a given group.

The unemployment rate is calculated as the share of the unemployed persons in the number of the economically active persons, aged 15 and older, in a total and in a given group.

**7.** The components of wages and salaries are personal wages and salaries, payments from profit and balance surplus in co-operatives, additional annual wages and salaries for employees of budget sphere entities, impersonal wages and salaries, commission and agent payments, fees.

Data concerning quarterly periods does not include unemployment benefits, agency and commission wages and salaries as well as fees.

**8.** Average monthly nominal wage and salary per employee are computed assuming the following:

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

**9.** Data on wages and salaries and average monthly wages and salaries is presented in gross terms.

**10.** Average monthly real gross wage and salary indices are calculated as a quotient of the average monthly nominal gross wage and salary index and consumer price index of households of employees and employees using farms (excluding natural consumption).

**11.** Data presented in the section "Money" results from the aggregation of selected items from the compilation "Broad money  $M_3$  and counterparts" according to methodology adjusted by National Bank of Poland to the standards binding in the member countries of European System of Central Banks.

**12.** The  $M_1$  money supply comprises:

- 1) currency in circulation (outside banks) constitutes a difference between the amount of cash in circulation, operated outside of the National Bank of Poland, and the amount of cash at banks;
- 2) zloty and foreign currency deposits and other current liabilities (including investment accounts with banks' brokerage offices) of households, non-monetary financial institutions, non-financial corporations, non-profit institutions serving households, local government institutions, social security funds as well as overnight deposits. Until late February 2002 overnight deposits were classified as  $M_2$ .

**13. The  $M_2$  money supply comprises:**

- 1) currency in circulation (outside banks);
- 2) deposits and other liabilities of households, non-monetary financial institutions, non-financial corporations, non-profit institutions serving households, local government institutions, social security funds. This comprises: deposits and other current liabilities, term deposits including those with a primary maturity date within up to 2 years and blocked term deposits, banks' liabilities related to money collaterals as well as credits and loans obtained from non-financial funds and foundations.

**14. The  $M_3$  money supply comprises:**

- 1) currency in circulation (outside banks);
- 2) deposits and other liabilities of households, non-monetary financial institutions, non-financial corporations, non-profit institutions serving households, local government institutions, social security funds;
- 3) other components of  $M_3$ , i.e. debt securities including those with a primary maturity date within up to 2 years issued by banks and purchased by non-banking entities as well as banks' liabilities related to transactions with a promise to repurchase.

**15. Deposits and dues are classified in new sector structure:**

- 1) households includes private persons, individual farmers and individual entrepreneurs employing up to 9 staff (until late February 2002 classified as economic entities);
- 2) non-monetary financial institutions have been replaced with non-banking financial institutions, which, until late February 2002, were classified as economic entities;
- 3) non-financial corporations comprise state-owned and private enterprises and companies as well as co-operatives, which, until late February 2002, were classified as economic entities;
- 4) non-profit institutions serving households comprise non-profit entities (such as, among others, charities, trade unions, scientific societies, political parties, churches), until late February 2002 classified as economic entities;

- 5) local government institutions comprise local self-government entities; operations executed with them via banking system were classified, until late February 2002, as a net indebtedness of budgetary sector;
- 6) social security funds comprise Social Insurance Institution and Agricultural Social Insurance Fund as well as funds and health funds managed by them; these entities, until late February 2002, were classified respectively as state budget target funds as well as the state budget.

**16. Net domestic assets include:**

- 1) due from households, non-monetary financial institutions, non-financial corporations, non-profit institutions serving households, local government institutions, social security funds, which comprise credits and loans, purchased debts, guarantees and collateral's, interest declared, amounts due banks from purchased securities bearing a repurchase promise as well as receivables related to debt securities;
- 2) net central governmental debt, i.e. the balance of banking system's dues and liabilities towards the entities which, until late February 2002, were classified as a part of the state budget and state budget target funds with the exception of the health funds, Social Insurance Institution and Agricultural Social Insurance Fund and the funds managed by them;
- 3) the balance of other items (net), which is comprised primarily of amounts due and liabilities resulting from banks and NBP's own activity (among others reserves, costs and income, capital assets, interbank and interbranch settlements), non-mature interests on receivables as well as imputed interest on liabilities of banks and NBP. Since late February 2002 deposits and securities with maturity period longer than 2 years have been additionally included.

**17.** Net foreign assets constitute the difference between total NBP and commercial banks' receivables from non-residents and liabilities towards non-residents, excluding capital (basic and supplementary own funds) deposited by foreign entities in Polish banks.

**18.** Indirect taxes cover: value added tax (introduced from 5 July 1993, in agriculture — from 4 September 2000), excise tax (introduced from 5 July 1993) and gambling and betting tax (introduced from 10 December 1992).

**19.** Social security includes subsidies to: the Social Insurance Fund, the Pension Fund, the Prevention and Rehabilitation Fund, the Alimony Fund as well as benefits for natural persons.

**20.** According to the methodology of the government finance statistics (GFS), elaborated by the International Monetary Fund:

- 1) capital revenues are proceeds from the sale of non-financial capital assets, including land, intangible assets, stocks, and fixed capital assets of buildings, construction, and equipment of more than a minimum value and usable for more than one year in the process of production, and receipts of unrequited transfers for capital purposes from non-governmental sources;

- 2) capital expenditures are payments for acquisition of land, intangible assets, government stocks, and non-military, non-financial assets, of more than a minimum value and to be used for more than one year in the process of production: also for capital grants;
- 3) lending minus repayments comprises government transaction in debt and equity claims upon others undertaken for purposes of public policy, rather than for management of government liquidity or earning a return. Lending minus repayments consists of gross lending and acquisition of equities minus repayments of past government lending and government sales of equities. In determining a government deficit or surplus the category: lending minus repayments is grouped together with revenue and expenditure rather than with financing.

Data presented in cash basis and after excluding internal transfers .

**21.** Public debt is understood as the nominal indebtedness of entities of the public finance sector established after elimination cash flows between entities belonging to that sector.

The public debt consists of commitments of the public finance sector under the following:

- 1) issue of securities for cash liabilities;
- 2) drawn credits and loans;
- 3) accepted deposits;
- 4) matured payables.

**22.** Domestic debt of State Treasury includes:

- 1) liabilities of the State Treasury due to treasury securities issued on the domestic market;
- 2) other domestic debt of the State Treasury i.e.: liabilities from non-implemented wage increases in the budget sphere, debts to trade unions, advances on cars, credit taken by the Labour Fund and others.

**23.** Foreign debt of State Treasury includes:

- 1) liabilities of the State Treasury in the form of treasury securities issued on the foreign market,
  - a) foreign bonds:
    - bonds denominated in foreign currencies, sold to foreign investors, outside of the country in which currency they are denominated (Eurobonds),
    - bonds issued in foreign markets, denominated in the currency of the country where they are sold,
  - b) Brady bonds - bonds issued in October 1994 according to terms of the agreement on reduction and restructuring of debt to commercial banks associated in the London Club,
- 2) credits received.

**24.** Data on financial results of enterprises are presented as prescribed by the amended Accounting Act dated 29 September 1994 (uniform text Journal of Laws 2002 No. 76, item 694 with later amendments).

**25.** Income from total activity includes:

- 1) net income from sale of products within country and for export which have been manufactured by the entity (goods, semi-finished goods and services) as well as packaging, equipment and third party services if the customers are invoiced for the foregoing together with the purchased products;
- 2) income from sale of goods and materials' i.e. current assets purchased for resale in a non-processed condition and products manufactured by entity if they are sold by shops within the company's network along with goods manufactured by other manufacturers.

Income from sale of products, goods and materials affecting the financial result is established in a value expressed in the actual sale prices, taking into account all discounts, rebates and deductions, excluding value added tax;

- 3) other operating income, i.e. income indirectly related with the operating activity of the entity, in particular: profits from the sale of non-financial fixed assets (fixed assets, assets under construction, intangible fixed assets, investments in real estate and rights), assets (cash) received free of charge, including donated assets, as well as damages, reversed provisions, adjustments of the depreciation value for non-financial assets, income from social activities, income from rent or lease of fixed assets and investments in real estate and rights.
- 4) financial income, i.e. amounts due in respect of dividends and share in profits, interest on loans granted, interest on time deposits, default interest, profits from the sale of investments, reduction of depreciation write-offs relating to investments due to the fact that the reasons resulting in the permanent loss of their value have ceased to exist (whether partially or totally), surplus of foreign exchange gains over losses.

**26.** Cost of obtaining income from total activity includes:

- 1) cost of products sold, goods and materials related to the basic operating activity, which includes: the value of goods and materials sold as well as total costs decreased by the cost of generating benefits for the needs of the entity and corrected by charge in product stocks;
- 2) other operating costs, i.e. costs indirectly related to operating activity of the entity, in particular: loss on the sale of non-financial fixed assets, depreciation of leased or rented fixed assets and assets under construction, depreciation write-downs (write-downs relating to permanent loss of value), fines, penalties and damages paid, wholly or partially written-off receivables relating to bankruptcy, composition or reorganization, provisions formed for future legal liabilities or liabilities which are likely to occur (losses on current business transactions), adjustments of the depreciation value for non-financial assets, costs of maintaining premises required for social activity, donations and fixed assets received free of charge.

- 3) financial costs, i.e., among other things interest from contracted credits and loans, interest and discount on bonds issued by the entity, default interest, loss on the sale of investments, write-offs updating the value of investments, the surplus of foreign exchange losses over gains.

## **27. Financial results:**

- 1) the financial result from the sale of products, goods and materials constitutes a difference between net income gained from the sale of products, goods and materials and costs bore for their obtaining (cost of products sold, goods and materials);
- 2) the result on other operating activity is a difference between other operating incomes and other operating costs. From 2002 this item comprise part of extraordinary events related to operating activity;
- 3) the result on operating activity constitutes a difference between net income from the sale of products, goods and materials, including subsidies, discounts, rebates and other additions/disposals, excluding value added tax, and other operating income, and products, goods and materials sold valued at manufacturing cost, acquisition or purchasing prices, increased by the total general and administrative costs, costs of sales of products, goods and materials and other operating costs incurred since the beginning of the accounting year;
- 4) the result on financial operations constitutes a difference between financial income, in particular, in respect of dividends (share in profits), interest, profits from the sale of investments, updating the value of investments, surplus of foreign exchange gains over losses, and financial costs, in particular, those relating to interest, losses on the sale of investments, updating the value of investments, the surplus of foreign exchange losses over gains;
- 5) the result on economic activity is the sum of the financial results: on the sale of products, goods and materials, on other operating activity and on financial operations;
- 6) the result on extraordinary events constitutes a difference between extraordinary profits and extraordinary losses.

This item was narrowed down to the financial results of the events, which are difficult to foresee and are not part of operating activity of the entity. Extraordinary events do not include changes in production methods, the sale of an organized part of the entity, abandonment or suspension of a part of activity, and composition;

- 7) gross financial result (profit or loss) is a result on economic activity corrected by result on extraordinary events;
- 8) encumbrances of gross financial result include: income tax on legal and natural persons and other payments pursuant to separate regulations (payable out of profits after taxation with income tax to the benefit of the state budget by state owned enterprises and sole-shareholder companies of the State Treasury).



The income tax affecting the financial result relating to a given reporting period is composed of a current part and a deferred part. The deferred part constitutes a difference between provisions and assets relating to defer tax (pertaining to timing differences between gross financial result and taxable base due to different moments of reporting income and costs in accordance with the Accounting Act and tax regulations) as at the end and beginning of the reporting period.

- 9) net financial result (profit or loss) is obtained after decreasing the gross financial result by obligatory encumbrances.

## **28. Current assets and liabilities:**

- 1) current assets are part of the property controlled and used by the entity in its operating activity whose value has been determined in a reliable manner resulting from past events and bound to generate economic benefits to the entity in the future; they include stock (circulating or current fixed assets), short-term: dues, investments and inter-period settlements;
- 2) short-term dues include total debtors from deliveries and services and the whole or part of other debtors, which are not financial assets, with the maturity of twelve months as of the balance sheet date;
- 3) short-term investments are short-term assets acquired for the purpose of generating economic benefits owing to the increase in the value of these assets.
- 4) short-term inter-period settlements are the prepayments made for the period up to twelve months as of the balance sheet date;
- 5) liabilities are obligations resulting from past events entailing the provision of a consideration whose value has been determined in a reliable manner, which involve the use of an entity's current or future assets;
- 6) short-term liabilities (excluding special funds) are total trade creditors and the whole or part of other liabilities with the maturity of twelve months as of the balance sheet date.
- 7) long-term liabilities are total liabilities with the maturity of more than twelve months as at the balance sheet date, apart from trade creditors.

## **29. Indices:**

- 1) sales profitability rate constitutes the relation of the result from the sale of products, goods and materials to net income from the sale of products, goods and materials;
- 2) the cost level indicator constitutes the relations of the costs of obtaining income from total activity to income from total activity;
- 3) the profitability rate of gross turnover constitutes the relation of gross financial result to income from total activity;

- 4) the profitability rate of net turnover constitutes the relation of net financial result to income from total activity;
- 5) the first degree financial liquidity indicator constitutes the relations of short-term investments to short-term liabilities;
- 6) the second degree financial liquidity indicator constitutes the relations of short-term investments and short-term dues to short-term liabilities.

**30.** The subject of the price survey, in the field of sold production of industry, construction and assembly production and the transportation, storage and communication services are basic prices, i.e. amounts of money received by a producer from a buyer for unit of product (good and service), decreased by the taxes on the product as well as by applicable rebates and deductions and increased by subsidies received for the product.

Price indices of:

- 1) sold production of industry (i.e. mining and quarrying, manufacturing, electricity, gas and water supply) 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 3,2 thous. (10%) units, in which the number of employees exceeds 9 persons (to the end of 1999 — 5 persons).

With the aim of obtaining price indices for each type of activity, the following calculations are made in turn:

a) price indices on the base — previous month=100:

- at enterprise level — as weighted averages of individual price indices of representative items in using, as their weight system, their sale value in the surveyed month,
- at group, division and section level — as averages of price indices of aggregates at lower levels weighted by their full sale value in the surveyed month,

- b) price indices on other bases — as averages of price indices of aggregates at lower levels in 1999 and 2000 weighted by their sale value of 1995, since 2001 — the sold value of 2000. The indices are updated monthly by the price and sale structure changes, occurring in subsequent months of a year, to which the price indices refer.

The price indices illustrate the index of prices resulting from actually introduced price changes and changes in the commodity structure of sales and structure the of customers;

- 2) 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 "the construction" section, that is, by about 500 construction and assembly enterprises (4%), in which the number of employees exceeds 9 persons (to the end of 1999 — 5 persons). Price indices calculation is analogous to the one described in item 30.1;

- 3) transport, storage and communication are obtained on the basis of a monthly survey of prices of services rendered by specifically selected economic units, classified in “the transport, storage and communication” section, that is, by about 270 (8%) enterprises.

Price indices at the enterprise level are calculated as averages of individual price indices of representative services weighted by the value of their sale in the month under examination. To the end of 2000 structure of the value of sale of aggregates at a lower level is used for the calculation of aggregate price indices in 1995, since 2001 — structure of the value of sale in 2000.

**31.** The price index of investment outlays are obtained on the basis of price indices of expenditures for fixed assets (i.e., buildings and structures of domestic and imported purchases of machinery, technical equipment tools and means of transport and price indices of other outlays) and other outlays which calculations exclude value of interest on credits and investment loans for the investment realization period.

**32.** The price index of consumer commodities and services are obtained on the basis of price observation of selected consumer commodities and services (about 1800 in 2004) quoted in 307 districts of the country.

Price indices are based on the following weights system of annual structure expenditures (excluding subsistence consumption) of households for purchases of goods and services in the year preceding the one examined.

Due to introduction in 1999 of the Classification of Individual Consumption by Purpose adapted for the purposes of the Harmonised Indexes of Consumption Prices (COICOP/HICP), price indices of consumer goods and services in the Statistical Bulletin are comparable with previously published indices only in regard to totals.

**33.** Transaction price indices of exports and imports calculated on the basis of observations of prices of selected commodities on the lowest PCN level, utilising data regarding external trade turnover (imports — cif, exports — fob). Source of data — a SAD custom declaration. Price indices of the lowest level of the PCN aggregation are calculated as “unit value”. Price indices on the higher aggregation levels are compiled:

- monthly and quarterly, as the relation of the indices of turnover value in zlotys to the indices of turnover volume,
- cumulative monthly periods and annual, utilising the structure of turnover value in the surveyed year as the system of weights.

“Terms of trade” shows the relation of changes in prices of exported commodities to changes in the prices of imported commodities.

**34.** Data on prices of agricultural products procurement concern average prices (computed as a quotient of value and quantity of each product) paid in a given period by units purchasing agricultural products directly from agricultural producers. (See general notes on page 7, item 6.4).

**35.** Monthly reporting of agricultural correspondents of the Central Statistical Office (mid-month quotations) constitutes the source of information on prices of agricultural products received by farmers in the market-places. Average prices during a given month were calculated as an arithmetic mean of all listings on the national and voivodship level.

**36.** The presented division of investment outlays was compiled according to the principles of the "ESA 1995" recommendations. Investment outlays are divided into outlays on fixed assets and other outlays.

Outlays on fixed assets include outlays on:

- buildings and structures (include buildings and places as well as land and water engineering constructions), of which among others, construction and assembly work, design and cost estimate documentation;
- machinery, technical equipment and tools (including instruments, movable and fittings);
- transport equipment;
- others, i.e., detailed meliorations, costs incurred for purchasing land and second-hand fixed assets and since 1995, livestock basic herd and long-term plantings and moreover costs of treatment of constructed liabilities in order to finance purchasing, constructing and developing of fixed assets ( determined up to 31 December 2001 as interests on credits and investment loans ) for the period of investment realization (including exclusively in data expressed at current prices).

Other outlays include outlays on so-called initial investments as well as other costs connected with investment realization. These outlays do not increase the value of fixed assets.

**37.** Presented data regarding the privatization of state owned enterprises concerns economic entities, in which the process of ownership transformation has been completed and includes:

- privatized sole shareholder companies of the State Treasury established as a result of the transformation (commercialization) of state owned enterprises,
- state owned enterprises privatized through the direct method on the basis of the Law on the Privatization of State Owned Enterprises (Art. 37) and the Law on the Commercialization and Privatization (Art. 39),
- state owned enterprises liquidated for economic reasons, i.e., on the basis of the Law on State Owned Enterprises (Art. 19).

Data concerning privatized companies concerns sole-shareholder companies of the State Treasury in which the majority packets of stocks and shares were sold, and since 1997, also including companies participating in the National Investment Funds (NIF) program.

**38.** Since 1998, within the framework of activities aimed at adapting agricultural statistics to Eurostat requirements, the quarterly registration of basic farm animal stocks conducted to date have been terminated and replaced by separate surveys regarding stocks of pigs and the production

of pigs for slaughter as well as regarding cattle, sheep, poultry and animal production connected with them. New production-utilization categories (to date, groups by age) of herd structures were introduced. Surveys of pig stocks and the production of pigs for slaughter are conducted 3 times a year — in April end of March, in August end of July and in December end of November, while surveys of cattle stocks and other types of farm animals will be conducted twice a year end of June and December.

**39.** Data on the value of sold production of industry (i.e., of mining and quarrying, manufacturing, electricity, gas and water supply) and of construction and assembly is presented excluding VAT and the excise tax, but including the value of objective subsidies for products and services, in so-called basic prices.

The value of construction and assembly production, expressed in basic prices, is equal to the value expressed in producer's prices due to the lack of excise tax and entity subsidies.

**40.** Data on sold production of industry covers industrial and non-industrial activities of the economic entities included to the section: "Mining and quarrying", "Manufacturing" and "Electricity, gas and water supply" and concerns:

- 1) the value of finished products sold, semi-finished products and parts of own production (regardless of whether or not payments due were received for them);
- 2) the value of paid works and services rendered, i.e., both industrial and non-industrial;
- 3) lump sum agent fees in the case of concluding an agreement on commission terms and full agent's fees in the case of concluding an agency agreement.

Data regarding construction-assembly production sales concerns work realized nation-wide by construction entities (i.e., classified according to NACE in the section "Construction"), consisting in the construction of buildings and structures from site preparation through a wide range of terrestrial work, ground worked (zero state), construction of bearing elements, partitions, the laying and covering of roofs (raw state) to assembly, installation and completion work. The pertinent work connected with the building, rebuilding, expansion, restoration, renovation and conservation of permanent and temporary building structures is included in all of these categories.

**41.** The selected indices of the forecasted business tendency are calculated on the basis of monthly research of the opinions of enterprise directors using business tendency test method (manufacturing — since the middle of 1992, construction and assembly production — since the middle of 1993, retail sales — since October 1993) with suitable recommendations of the European Commission for the membership countries of the European Union. The time line of the questions is three months. The indices are calculated in the form of a balance being the difference between the percentage of positive and negative answers. General business indicator is an arithmetical average from weighted balances (a difference between the percentages of positive and negative answers) referring to questions about the current and expected general economic situation of the enterprise. See also methodological paper "Business Tendency Surveys", Warsaw, March 1994, CSO and "Business Tendency Surveys — Business Tendency in Industry, Construction and

Trade'' — quarterly CSO. Business tendency indicators were seasonally adjusted using the X11 ARIMA procedure.

**42. Data on:**

- 1) transport of goods covers transport in domestic and international traffic performed by means of transport enterprises;
- 2) transport of passengers covers regular passenger transport services in domestic and international traffic (on the basis of announced time-table) and irregular services (holiday camps and excursion transport) rendered by transport enterprises.

**43.** Data on retail sales covers the sale of consumer and non-consumer goods carried by retail sales outlets, catering establishments and other sales outlets (i.e. warehouses, stock houses) in quantities indicating purchases to meet the needs of individual customers.

**44.** Data concerning the wholesale trade of commodities includes sales from warehouses, in which commodities stored account for the property of trade enterprises are included in the section ''wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods''.

Wholesale trade realized by wholesale enterprises including sales of commodities by enterprises is included in the division ''wholesale and commission trade, with the exception of except of motor vehicles and motorcycles''.

**45.** Deliveries for domestic supply cover the quantity of products produced in the country, decreased by exports and increased by imports and corrected by the balance of stocks at the producer.

**46.** Data on foreign trade since 1992 data covers turnover registered purely on the basis of the special customs questionnaire — Single Administrative Document SAD.

**47.** Since 1992 external trade turnover is compiled using the Special Trade System, according to the methodology of the Statistic Department of the United Nations and includes imports and exports of all commodities, regardless of forms of payment, which were subject to final customs clearance or to further processing procedures. Not included in the external trade turnovers according to the ''special trade'' system are:

- turnover of customs warehouses and free zones with abroad,
- direct re-export and imports for direct re-export,
- services, with the exception of processing calculated according to the gross method,
- repairs,
- construction,

- patents, licences and know-how.

**48.** Processing goods valued according to:

- gross method includes the value of raw material for further processing and the value of further processing service,
- net method includes the value of purely further processing service without the value of raw material.

**49.** Data concerning foreign trade turnover, is given for exports — fob, and imports — cif.

**50.** The Polish Combined Nomenclature (PCN) on the basis of the English text, Combined Nomenclature (CN), is required since January I, 1994, in statistics of foreign trade and customs tariffs.

**51.** The Standard International Trade Classification — SITC was issued by the Statistic Department of the United Nations in 1950 with the aim of classifying all commodities subject to international trade.

**52.** Data on turnover by country group is shown in imports — according to the country of origin, in exports — according to the country of destination. A country of origin is a country in which the commodity was produced, manufactured or transformed and in this form entered the Polish customs territory. A country of destination is a country, in which a commodity is finally consumed.

**53.** External trade turnover is presented according to the following country grouping:

- 1) group I — economically developed countries: Canada, United States, European countries — other than mentioned in group III and IV, Australia and New Zealand, Israel, Japan, Republic of South Africa; from this group an economic association — the European Union was separated (till 31 October 1993 — the EEC) — group II, which includes: Austria (from 1 January 1995), Belgium, Denmark, Finland (from 1 January 1995), France, Greece, Spain, Ireland, Luxembourg, Netherlands, Germany, Portugal, Sweden (from 1 January 1995), United Kingdom, Italy,
- 2) group III — economically developing countries: countries of Africa (excl. Rep. of South Africa), Central and South America, Asia (excl. Israel, Japan, including Asian countries former USSR), Oceania (Polynesia, Micronesia and Melanesia) and countries of former Yugoslavia (from 1 January 1996 excl. Slovenia). In addition, this group includes turnovers, of which a country of origin or destination was not stated in customs documents,
- 3) group IV — countries of Central and Eastern Europe: European countries of former USSR, i.e. Belarus, Estonia, Lithuania, Latvia, Republic of Moldova, Russia, Ukraine and Albania, Bulgaria, Czech Republic, Romania, Slovak Republic, Slovenia (from 1 January 1996), Hungary.

**54.** Recalculations from foreign currencies into zloties are made according to the current exchange rates of the National Bank of Poland.

**55.** The source of data regarding border traffic are continual surveys of the Border Patrol consisting in the registration of border crossings at all border crossing points. This data concerns all persons who crossed a Polish border regardless of the reason, length of stay and direction of travel (to and from Poland) within the framework of passport and cross-border traffic. Data, however, does not include the staff servicing the means of transport: aeroplanes, trains, ships and other sailing vessels as well as persons crossing the border within the framework of cross-border traffic.