

MAIN MACROECONOMIC INDICATORS

THE REPUBLIC OF POLAND
NOVEMBER 2011

MINISTRY OF ECONOMY

Analyses and Forecasting Department

Territory: 322,575 km²
Population: 38.3 mn
Capital city: Warsaw
Currency: zloty



The mission of the Ministry of Economy is to create the best conditions for business activity in Europe

Poland's macroeconomic performance in 2010-2011

| Specification | Unit | 2010 | XI 2010 | XI 2011 | I-XI 2011 | 2011 ⁵ |
|---|-------------|--------------------|-----------------------|-----------------------|------------------------|-------------------|
| GDP | dynamics | 103.9 | | | | 104.2 |
| Consumption | dynamics | 103.5 | | | | 101.8 |
| Individual consumption | dynamics | 103.2 | | | | 103.3 |
| Gross capital formation | dynamics | 109.3 | | | | 109.8 |
| Gross fixed capital formation | dynamics | 99.8 | | | | 107.6 |
| Prices | | | | | | |
| Price index of consumer goods and services (CPI) | dynamics | 102.6 | 102.7 | 104.8 | 104.2 | 104.0 |
| Price index of sold production of industry (PPI) | dynamics | 102.1 | 104.7 | 108.9 | 107.5 | 107.6 |
| Production¹ | | | | | | |
| Sold production of industry | dynamics | 109.7 ^A | 110.0 | 108.7 | 107.8 | 107.1 |
| Construction and assembly production | dynamics | 103.3 ^A | 114.2 | 113.0 | 116.6 | 115.9 |
| Wages and salaries | | | | | | |
| Average wages and salaries in the national economy, of which: | PLN | 3,225 | | | | |
| - enterprise sector | PLN | 3,435 | 3,526 | 3,682 | 3,566 | |
| Labour market | | | | | | |
| Average employment in enterprise sector | thous.pers. | 5,373 | 5,381 | 5,515 | 5,539 | |
| Unemployment rate (as of the end of the period) | % | 12.4 | 11.7 | 12.1 | 12.1 | 12.0 |
| Current account balance acc. to NBP | mn EUR | -16,495 | -1,678 ^{2,3} | -1,622 ^{2,3} | -14,138 ^{2,4} | |
| Foreign trade acc. to CSO | | | | | | |
| Trade balance | mn EUR | -13,815 | | | -11,611 ^{2,4} | -17,300 |
| - exports | mn EUR | 120,373 | | | 112,724 ^{2,4} | 133,000 |
| - imports | mn EUR | 134,188 | | | 124,335 ^{2,4} | 150,300 |

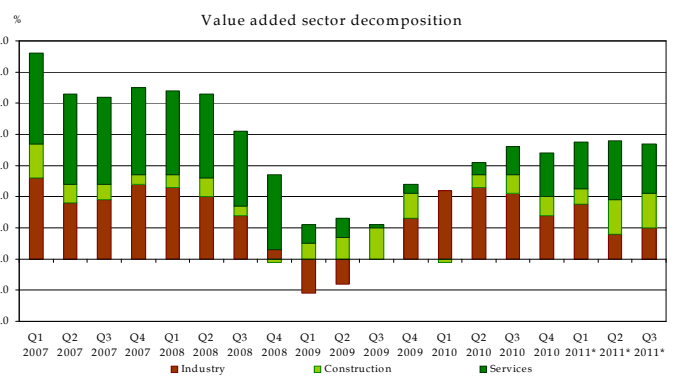
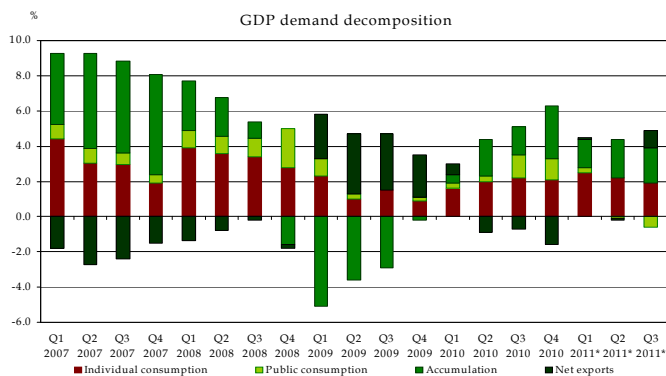
Dynamics (100 = corresponding period of the previous year)
YoY (comparing to the corresponding period of the previous year)
1 - unless otherwise indicated data concerns entities employing more than 9 persons
2 - provisional data
3 - data for October
4 - data for January-October
5 - AFD MoE forecast
A - concerns complete statistical population

According to CSO preliminary estimation, after three quarters of 2011 GDP increased by 4.4%. Both internal and external demand made the positive contribution to GDP growth.

GDP growth in 2006-2011

| | 2006 | | | | 2007 | | | | 2008 | | | | 2009 | | | | 2010 | | | | 2011 | | | |
|-----|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|
| YoY | 6.2 | | | | 6.8 | | | | 5.1 | | | | 1.6 | | | | 3.9 | | | | -- | | | |
| | I-III | IV-VI | VII-IX | X-XII | I-III | IV-VI | VII-IX | X-XII | I-III | IV-VI | VII-IX | X-XII | I-III | IV-VI | VII-IX | X-XII | I-III | IV-VI | VII-IX | X-XII | I-III | IV-VI | VII-IX | X-XII |
| YoY | 5.4 | 6.3 | 6.6 | 6.6 | 7.5 | 6.6 | 6.6 | 6.6 | 6.3 | 6.1 | 5.2 | 3.2 | 0.4 | 1.0 | 1.6 | 3.2 | 3.0 | 3.5 | 4.4 | 4.7 | 4.5* | 4.3* | 4.2* | -- |

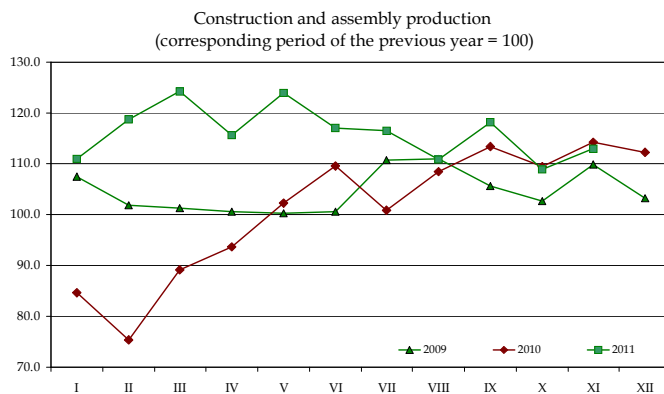
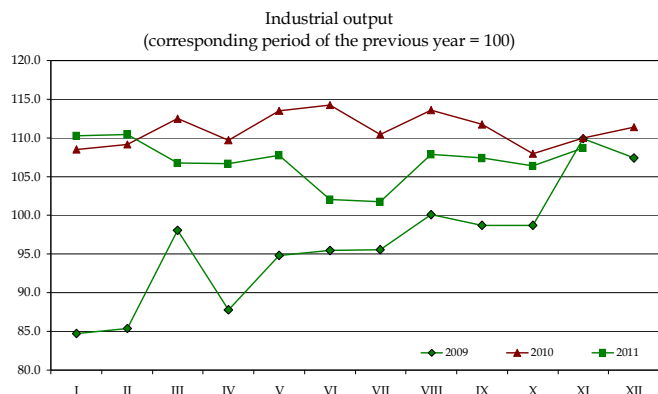
* CSO preliminary data



In the period of January-November 2011 (yoy):

- A growth in sold industrial production amounted to 7.8%. The manufacturing section production increased by 8.5%.
- Construction and assembly production increased by 16.6%.
- Consumer Price Index was at the level of 4.2%.
- The number of registered unemployed amounted to 1,915 thousand (increase by 3.0%).
- Registered unemployment rate stood at 12.1%.
- Average monthly wages and salaries in enterprise sector amounted to PLN 3,566 and was higher by 5.1% (in nominal terms).
- Average monthly retirement pay and pension from non-agricultural social security system increased by 5.2%, and individual farmers by 3.3% (in nominal terms).
- Execution of revenues accounted for 93.3% and expenditures 88.3% of the amount planned in the Budgetary Law, deficit amounted to PLN 21.6 bn.
- The Monetary Policy Council raised interest rates four times, overall by 1.0 pp.
- The Polish currency strengthened against US dollar and weakened against euro.
- At the end of October 2011 the cumulative current account balance deficit was higher than in 2010 by EUR 2,262 mn.

January-November 2011: sold production of industry increased by 7.8% and construction and assembly production by 16.6% (yoy).



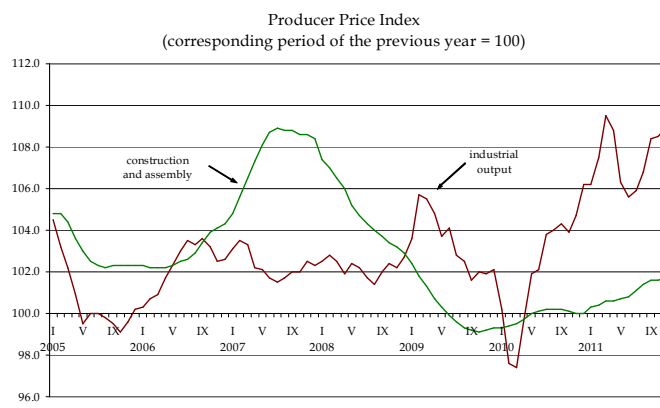
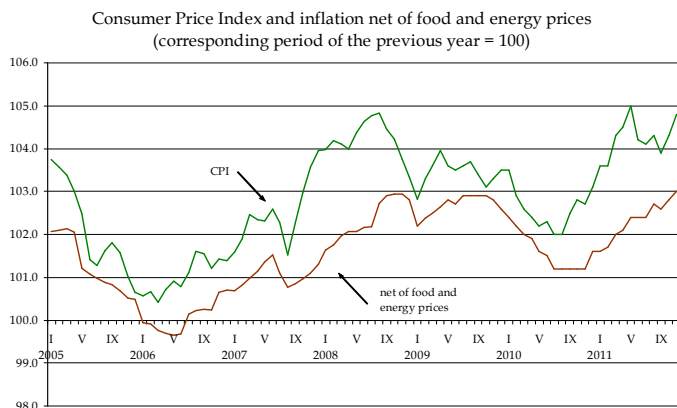
Indices of sold production of industry and construction and assembly production

| | | I | I-II | I-III | I-IV | I-V | I-VI | I-VII | I-VIII | I-IX | I-X | I-XI | I-XII |
|--------------------------------------|------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|
| Sold production of industry | 2010 | 108.5 | 109.0 | 109.5 | 109.4 | 110.0 | 110.6 | 110.4 | 110.4 | 110.7 | 109.6 | 109.7 | 109.8 |
| | 2011 | 110.3 | 109.9 | 109.1 | 108.2 | 108.5 | 107.4 | 106.4 | 106.9 | 106.9 | 107.6 | 107.8 | |
| Construction and assembly production | 2010 | 84.7 | 79.1 | 84.8 | 88.4 | 91.3 | 93.9 | 94.3 | 96.6 | 98.5 | 100.2 | 102.3 | 103.5 |
| | 2011 | 111.1 | 115.3 | 118.8 | 117.0 | 119.3 | 120.8 | 119.9 | 118.5 | 118.2 | 117.2 | 116.6 | |

January-November 2011: price index of consumer goods and services reached 4.2%, of sold industrial production 7.5%, and price index of construction and assembly production 1.0% (yoy).

Prices indices

| | | I | I-II | I-III | I-IV | I-V | I-VI | I-VII | I-VIII | I-IX | I-X | I-XI | I-XII |
|---|------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|
| Price indices of sold production of industry | 2010 | 100.2 | 98.9 | 98.4 | 98.7 | 99.3 | 99.8 | 100.4 | 100.8 | 101.2 | 101.5 | 101.8 | 102.1 |
| | 2011 | 106.2 | 106.9 | 107.7 | 108.0 | 107.7 | 107.3 | 107.1 | 107.1 | 107.2 | 107.4 | 107.5 | |
| Price indices of consumer goods and services | 2010 | 103.5 | 103.2 | 103.0 | 102.8 | 102.7 | 102.6 | 102.6 | 102.5 | 102.5 | 102.5 | 102.5 | 102.6 |
| | 2011 | 103.6 | 103.6 | 103.8 | 104.0 | 104.2 | 104.2 | 104.2 | 104.2 | 104.2 | 104.2 | 104.2 | |
| Price indices of construction and assembly production | 2010 | 99.3 | 99.3 | 99.4 | 99.5 | 99.6 | 99.7 | 99.7 | 99.8 | 99.8 | 99.9 | 99.9 | 99.9 |
| | 2011 | 100.3 | 100.4 | 100.4 | 100.5 | 100.5 | 100.6 | 100.7 | 100.8 | 100.8 | 100.9 | 101.0 | |



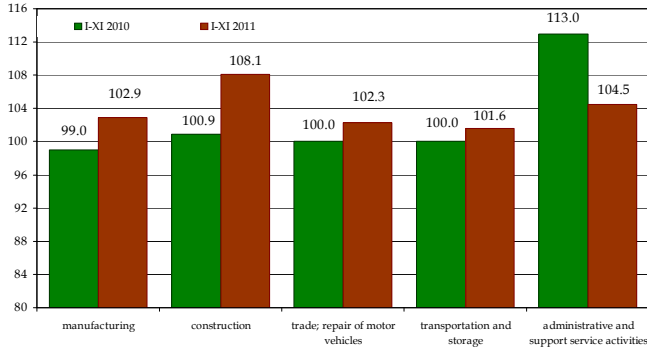
January-November 2011: registered unemployment rate shaped at the level of 12.1%, employment in enterprise sector amounted to 5,539 thousand persons and increased by 3.4% (yoy).

Unemployment rate

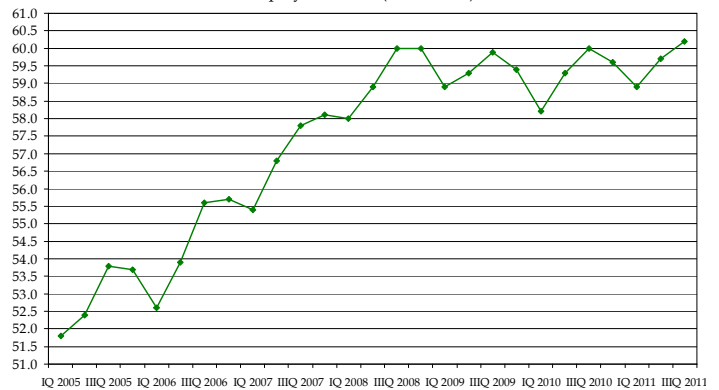
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | X 10 | XI | XII | I 11 | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|
| Registered unemployment | 17.6 | 14.8 | 11.2 | 9.5 | 12.1 | 12.3 | 11.5 | 11.7 | 12.4 | 13.1 | 13.4 | 13.3 | 12.8 | 12.4 | 11.9 | 11.8 | 11.8 | 11.8 | 11.8 | 12.1 | -- |
| LFS* | 17.7 | 13.8 | 9.6 | 7.1 | 8.2 | 9.6 | 9.3 | | 10.0 | | | 9.6 | | 9.5 | | -- | | | | | |

* LFS – Labour Force Survey

Dynamics of average monthly employment in enterprise sector (corresponding period of the previous year = 100)

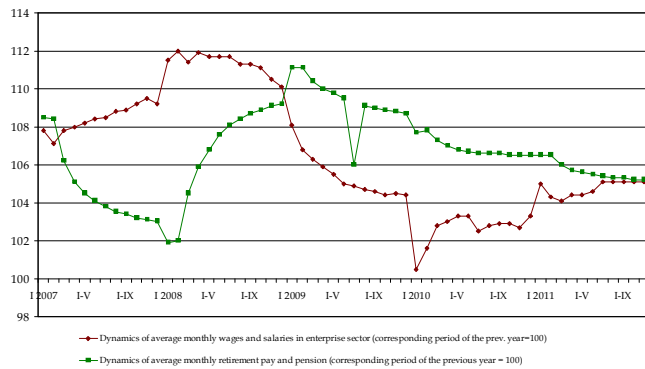


Employment rate (acc. to LFS)

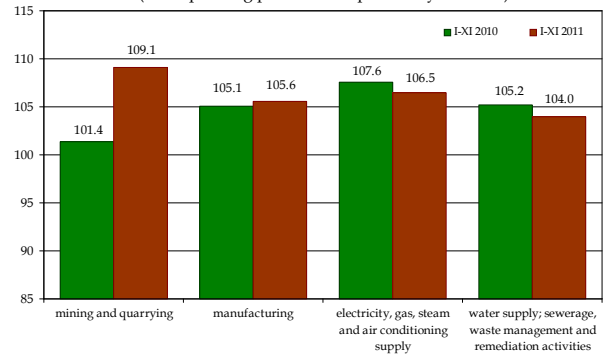


January-November 2011: average wages and salaries in enterprise sector stood at PLN 3,566 and in real terms increased by 1.0% (yoy).

Salaries, wages and social security benefits

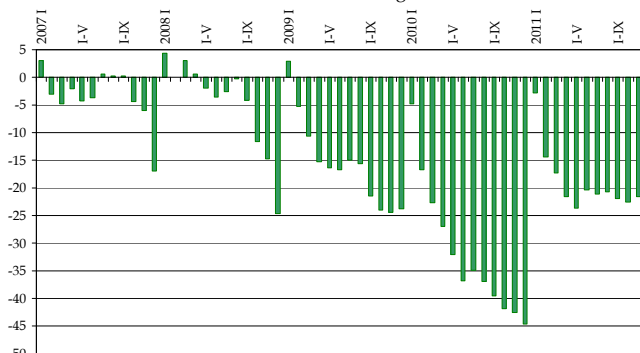


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

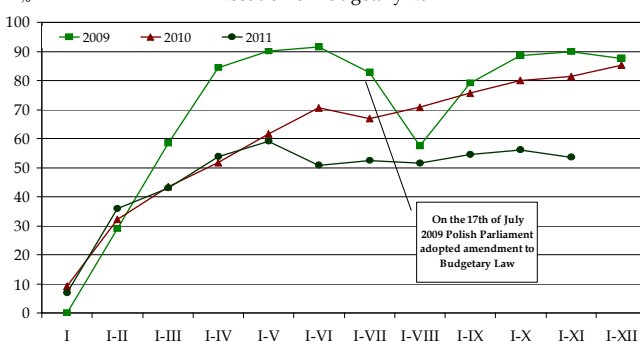


January-November 2011: state budget revenues ensured execution of the Budgetary Law in 93.3%, expenditures in 88.3%, the budget deficit amounted to PLN 21.6bn.

Results of state budget



Execution of Budgetary Law



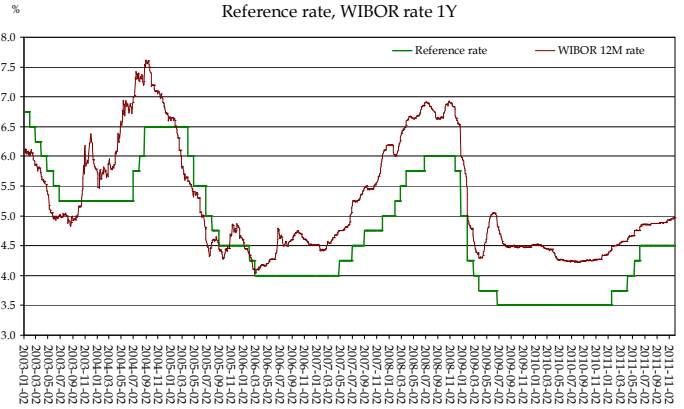
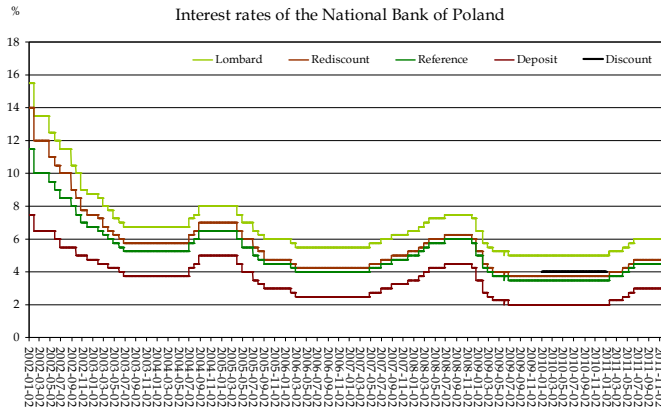
| | Budgetary Law 2011 | Execution | | |
|---|--------------------|--------------|-------------|-------------|
| | | I-XI 2011 | I-XI 2010 | |
| | | in bn PLN | in % | |
| REVENUES | 273.1 | 255.0 | 93.3 | 91.1 |
| Indirect taxes | 179.7 | 168.2 | 93.6 | 95.2 |
| CIT | 24.8 | 21.5 | 86.8 | 70.3 |
| PIT | 38.2 | 34.0 | 89.1 | 87.9 |
| EXPENDITURES | 313.3 | 276.5 | 88.3 | 89.5 |
| Domestic debt servicing | 29.6 | 26.3 | 88.9 | 97.1 |
| Foreign debt servicing | 8.9 | 8.5 | 95.8 | 93.2 |
| Subventions to the Pension Fund | 15.1 | 13.7 | 90.9 | 88.8 |
| Subventions to the Social Insurance Fund | 37.1 | 37.1 | 100.0 | 100.0 |
| General subventions to local self-government entities | 48.4 | 47.2 | 97.6 | 97.9 |
| DEFICIT | -40.2 | -21.6 | 53.6 | 81.4 |
| Financing for budget of EU funds | -15.4 | -5.2 | 33.7 | 41.5 |
| DEFICIT FINANCING SOURCES | 55.6 | 26.8 | 48.1 | 72.8 |
| DOMESTIC | 31.1 | 16.8 | 53.9 | 65.5 |
| Treasury bonds | 33.9 | 22.2 | 65.5 | 103.8 |
| Revenues from privatisation | 15.0 | 12.2 | 81.1 | 71.8 |
| Pre-financing actions with EU sources | -0.4 | 0.0* | 20.1 | 36.1 |
| FOREIGN | 24.5 | 10.0 | 40.7 | 88.4 |

* PLN -74.1 mn

January-November 2011: The Monetary Policy Council raised interest rates four times, overall by 1.00 pp.

Interest rates of the National Bank of Poland

| | Lombard | Rediscount | Reference | Deposit |
|------------------|---------|------------|-----------|---------|
| January 20, 2011 | 5.25 | 4.00 | 3.75 | 2.25 |
| April 6, 2011 | 5.50 | 4.25 | 4.00 | 2.50 |
| May 12, 2011 | 5.75 | 4.50 | 4.25 | 2.75 |
| June 9, 2011 | 6.00 | 4.75 | 4.50 | 3.00 |



January-October 2011: according to the provisional CSO data trade deficit shaped at the level of EUR 11,611 mn and was higher by EUR 1,354 mn, both exports and imports increased by 12.9% (yoy).

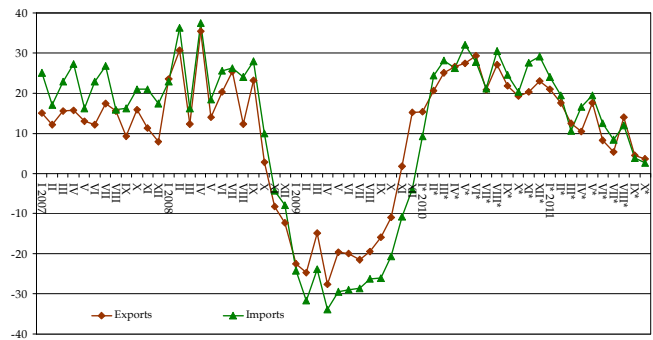
Foreign trade in mn EUR (CSO data)

| | 2009 | 2010 | I-X 2010 | I-X 2011 |
|---------|---------|---------|----------|----------|
| Balance | -9,311 | -13,815 | -10,257 | -11,611 |
| Exports | 98,218 | 120,373 | 99,827 | 112,724 |
| Imports | 107,529 | 134,188 | 110,084 | 124,335 |

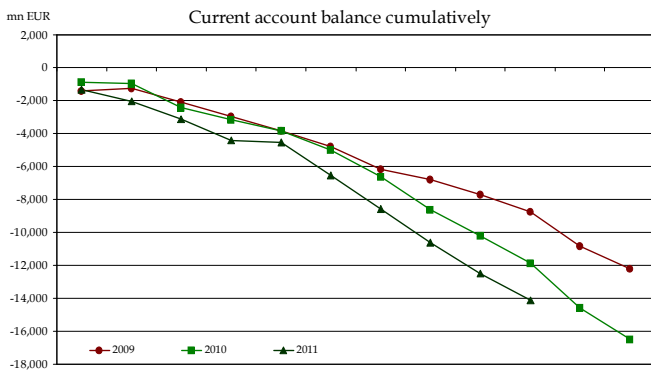
Foreign trade in mn EUR (NBP data)

| | 2009 | 2010 | I-X 2010 | I-X 2011 |
|---------|---------|---------|----------|----------|
| Balance | -5,441 | -8,899 | -6,306 | -8,407 |
| Exports | 101,674 | 125,071 | 103,811 | 115,352 |
| Imports | 107,115 | 133,970 | 110,117 | 123,759 |

Exports and imports dynamics acc. to NBP data (corresponding month of the previous year = 100)



January-October 2011: current account deficit amounted to EUR 14,138 mn, and was higher by EUR 2,262 mn (yoy).

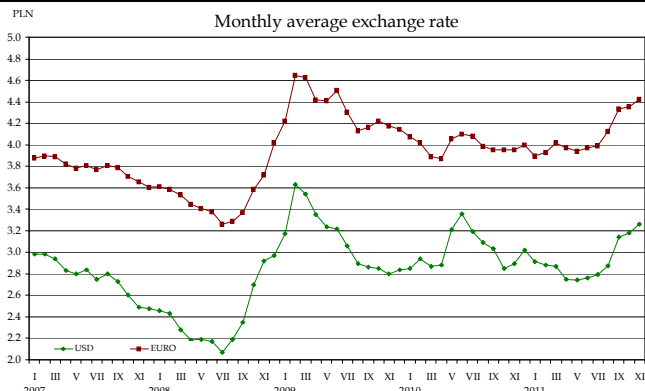


Current account balance (in mn EUR)

| | 2006 | 2007 | 2008 | 2009 | I-X 2010 | 2010 | I-X 2011 |
|-------------------------|---------|---------|---------|---------|----------|---------|----------|
| Current account balance | -10,431 | -19,272 | -23,784 | -12,214 | -11,876 | -16,495 | -14,138 |

| | 2010 | I-X 2010 | I-X 2011 |
|-------------------------------------|---------|----------|----------|
| in mn EUR | | | |
| Polish direct investment abroad | -4,138 | -2,258 | -4,241 |
| Foreign direct investment in Poland | 6,736 | 7,000 | 9,048 |
| Portfolio investment - assets | -784 | -575 | 54 |
| Other investment - assets | -2,976 | -1,684 | -2,702 |
| Official reserve assets | -11,464 | -15,217 | -4,075 |

January-November 2011: the zloty strengthened against the US dollar and weakened against euro. The EUR/PLN exchange rate increased by 2.3%, whereas USD/PLN decreased by 3.1% (yoy).



Exchange rates of the dollar and the euro (NBP data)

| | | XI 2010 | VI 2011 | VII | VIII | IX | X | XI |
|-------|-----------------|---------|---------|--------|--------|--------|--------|--------|
| 1 USD | end of month | 3.1308 | 2.7517 | 2.8109 | 2.8695 | 3.2574 | 3.1024 | 3.4248 |
| | monthly average | 2.8913 | 2.7586 | 2.7911 | 2.8770 | 3.1429 | 3.1769 | 3.2609 |
| 1 EUR | end of month | 4.0734 | 3.9866 | 4.0125 | 4.1445 | 4.4112 | 4.3433 | 4.5494 |
| | monthly average | 3.9531 | 3.9695 | 3.9907 | 4.1232 | 4.3332 | 4.3562 | 4.4239 |