

MAIN MACROECONOMIC INDICATORS

THE REPUBLIC OF POLAND
SEPTEMBER 2011

MINISTRY OF ECONOMY

Analyses and Forecasting Department

Territory: 322,575 km²
Population: 38.2 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	IX 2010	IX 2011	I-IX 2011	2011 ⁶
GDP	dynamics	103.8			104.2 ⁵	104.0
Consumption	dynamics	103.3			102.5 ⁵	103.1
Individual consumption	dynamics	103.2			103.6 ⁵	103.3
Gross capital formation	dynamics	108.5			110.8 ⁵	111.0
Gross fixed capital formation	dynamics	99.0			108.2 ⁵	108.0
Prices						
Price index of consumer goods and services (CPI)	dynamics	102.6	102.5	103.9	104.2	103.7
Price index of sold production of industry (PPI)	dynamics	102.1	104.3	108.1	107.2	107.0
Production¹						
Sold production of industry	dynamics	109.7 ^A	111.8	107.7	107.0	108.1
Construction and assembly production	dynamics	103.3 ^A	113.4	118.1	118.2	112.0
Wages and salaries						
Average wages and salaries in the national economy, of which:	PLN	3,225				
- enterprise sector	PLN	3,435	3,404	3,582	3,549	
Labour market						
Average employment in enterprise sector	thous.pers.	5,373	5,364	5,515	5,531	
Unemployment rate (as of the end of the period)	%	12.4	11.5	11.8	11.8	12.0
Current account balance acc. to NBP	mn EUR	-16,495 ²	-2,006 ^{2,3}	-1,730 ^{2,3}	-10,328 ^{2,4}	
Foreign trade acc. to CSO						
Trade balance	mn EUR	-13,815			-9,103 ^{2,4}	-17,300
- exports	mn EUR	120,373			89,317 ^{2,4}	133,000
- imports	mn EUR	134,188			98,420 ^{2,4}	150,300

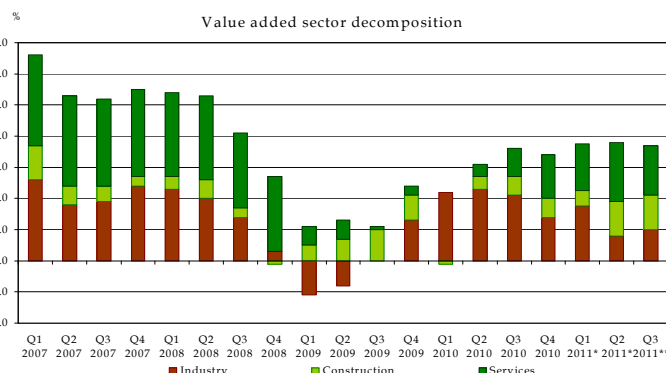
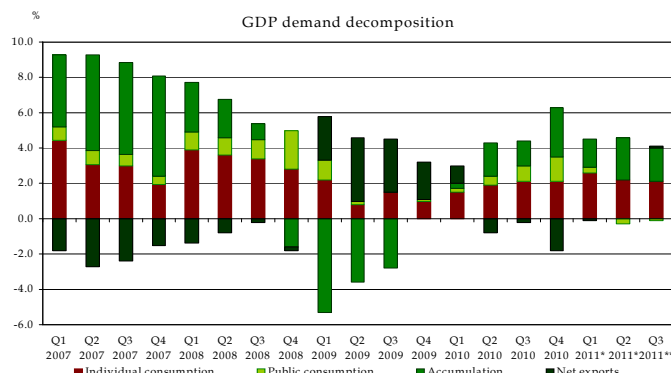
Dynamics (100 = corresponding period of the previous year)
YoY (comparing to the corresponding period of the previous year)
1 - unless otherwise indicated data concerns entities employing more than 9 persons
2 - provisional data
3 - data for August
4 - data for January-August
5 - AFD MoE estimation
6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

According to AFD MoE estimation, after three quarters of 2011 GDP increased by 4.2%. Both consumption and investments made the positive contribution to GDP growth.

GDP growth in 2006-2010

	2006				2007				2008				2009				2010				2011			
YoY	6.2				6.8				5.1				1.6				3.8				--			
	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	3.4	4.2	4.5	4.4*	4.3*	4.0**	--

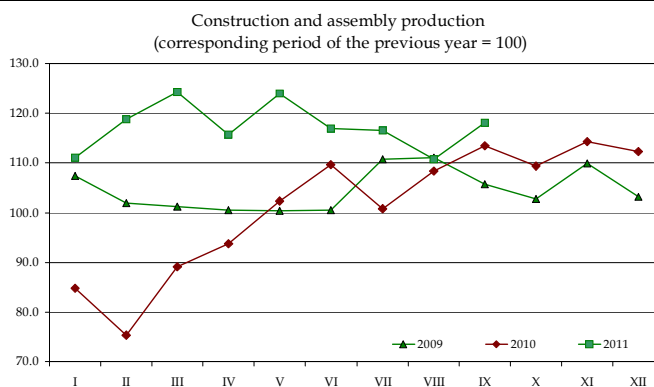
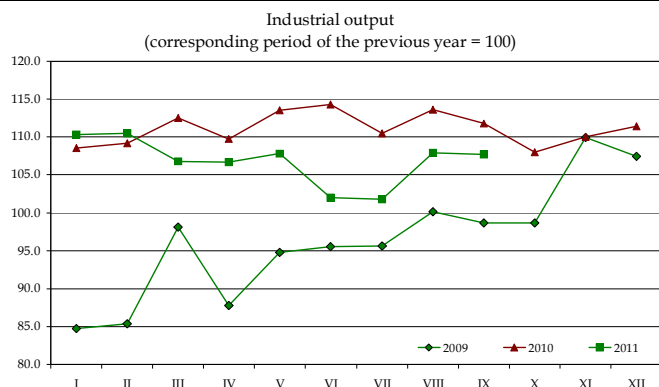
* CSO preliminary data
** AFD MoE estimation



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

- A growth in sold industrial production amounted to 7.0%. The manufacturing section production increased by 7.6%.
- Construction and assembly production increased by 18.2%.
- Consumer Price Index was at the level of 4.2%.
- The number of registered unemployed amounted to 1,862 thousand (increase by 2.7%).
- Registered unemployment rate stood at 11.8%.
- Average monthly wages and salaries in enterprise sector amounted to PLN 3,549 and was higher by 5.1% (in nominal terms).
- Average monthly retirement pay and pension from non-agricultural social security system increased by 5.3%, and individual farmers by 3.4% (in nominal terms).
- Execution of revenues accounted for 75.0% and expenditures 72.4% of the amount planned in the Budgetary Law, deficit amounted to PLN 21.9 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 August 2011 the cumulative current account balance deficit was higher than in 2010 by EUR 1,697 mn.

January-September 2011: sold production of industry increased by 7.0% and construction and assembly production by 18.2% (yoy).



Indices of sold production of industry and construction and assembly production

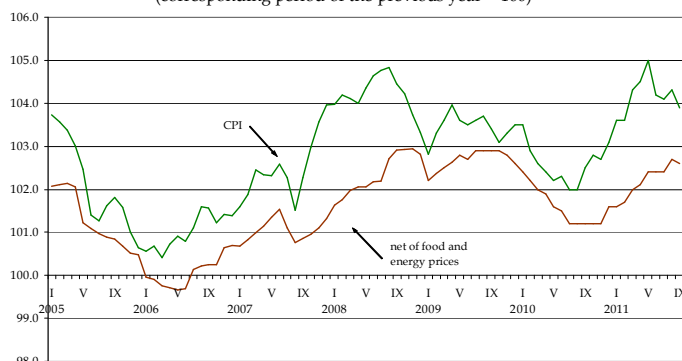
		I	I-II	I-III	I-IV	I-V	I-VI	I-VII	I-VIII	I-IX	I-X	I-XI	I-XII
Sold production of industry	2010	108.5	109.0	109.5	109.4	110.0	110.6	110.4	110.4	110.7	109.6	109.7	109.8
	2011	110.3	109.9	109.1	108.2	108.5	107.4	106.4	106.9	107.0			
Construction and assembly production	2010	84.7	79.1	84.8	88.4	91.3	93.9	94.3	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			

January-September 2011: price index of consumer goods and services reached 4.2%, of sold industrial production 7.2%, and price index of construction and assembly production 0.8% (yoy).

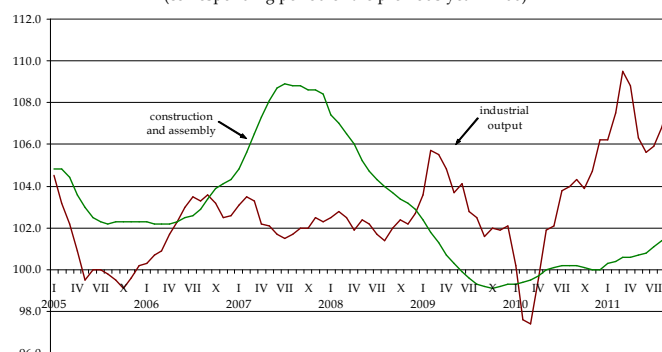
Prices indices

		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			
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			
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			

Consumer Price Index and inflation net of food and energy prices (corresponding period of the previous year = 100)



Producer Price Index (corresponding period of the previous year = 100)



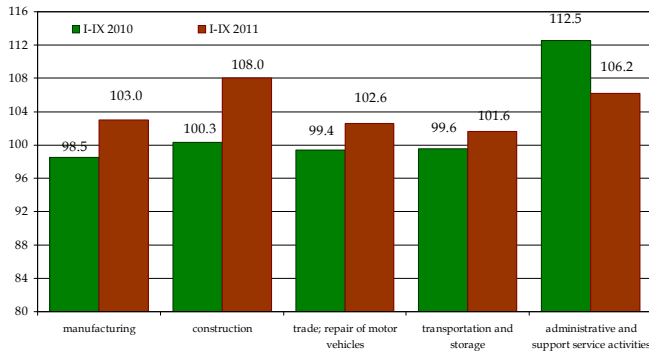
January-September 2011: registered unemployment rate shaped at the level of 11.8%, employment in enterprise sector amounted to 5,531 thousand persons and increased by 3.6% (yoy).

Unemployment rate

	2005	2006	2007	2008	2009	2010	VII 10	VIII	IX	X	XI	XII	I 11	II	III	IV	V	VI	VII	VIII	IX
Registered unemployment	17.6	14.8	11.2	9.5	12.1	12.3	11.5	11.4	11.5	11.5	11.7	12.4	13.1	13.4	13.3	12.8	12.4	11.9	11.8	11.8	11.8
LFS*	17.7	13.8	9.6	7.1	8.2	9.6	9.1			9.3			10.0			9.5			n.a.		

* LFS – Labour Force Survey

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

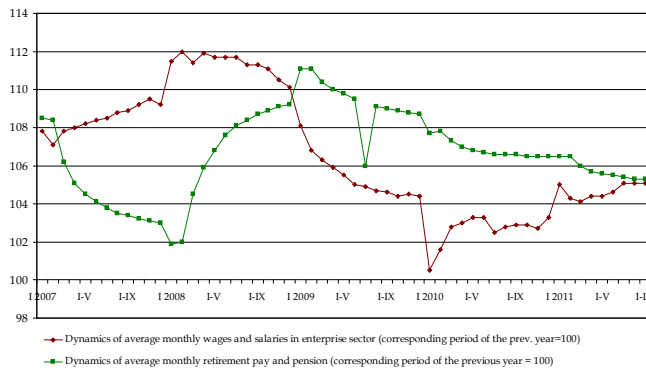


Employment rate (acc. to LFS)

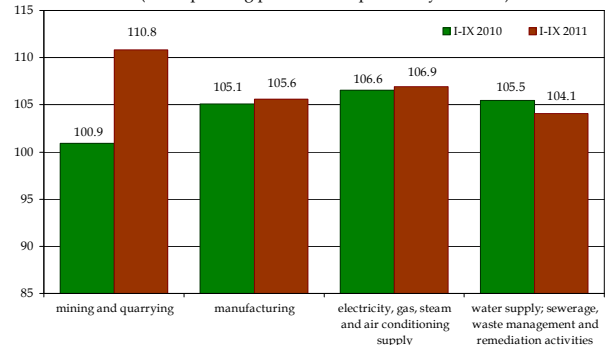


January-September 2011: average wages and salaries in enterprise sector stood at PLN 3,549 and in real terms increased by 1.1% (yoy).

Salaries, wages and social security benefits

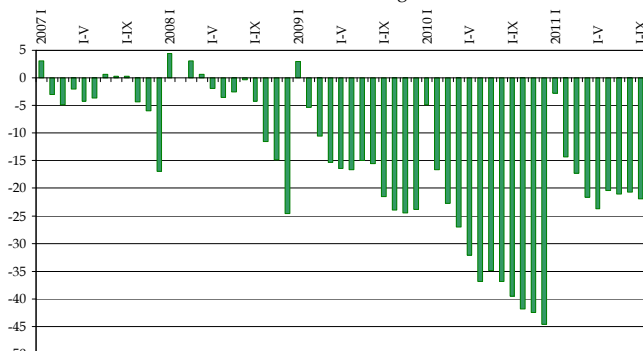


Dynamics of average monthly wages and salaries in enterprise sector (corresponding period of the previous year = 100)

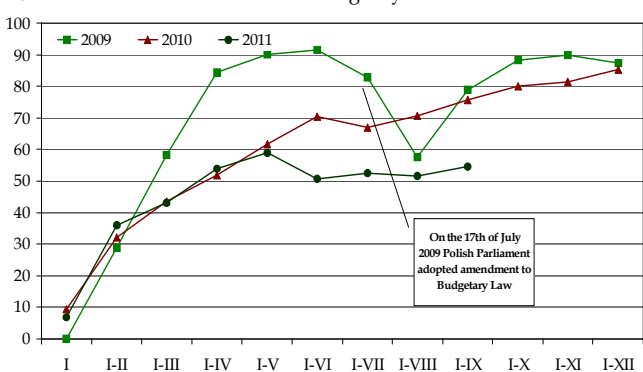


January-September 2011: state budget revenues ensured execution of the Budgetary Law in 75.0%, expenditures in 72.4%, the budget deficit amounted to PLN 21.9bn.

Results of state budget



Execution of Budgetary Law



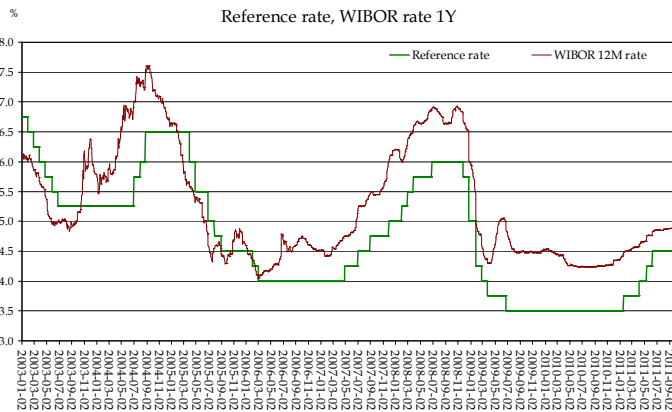
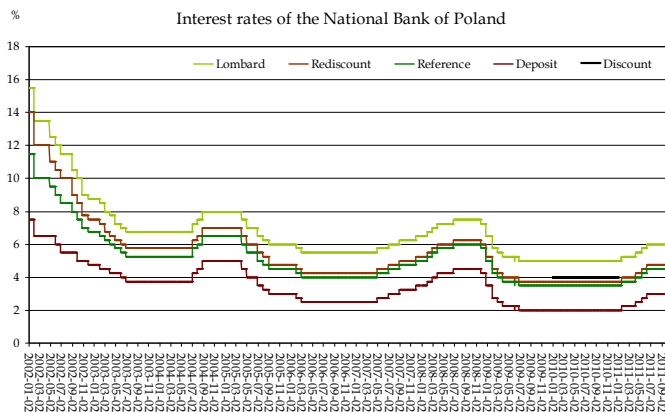
	Budgetary Law 2011	Execution		
		I-IX 2011	I-IX 2010	
		in bn PLN	in %	
REVENUES	273.1	205.0	75.0	72.8
Indirect taxes	179.7	135.0	75.1	76.2
CIT	24.8	17.1	68.8	54.3
PIT	38.2	26.7	69.9	69.0
EXPENDITURES	313.3	226.9	72.4	73.3
Domestic debt servicing	29.6	16.2	54.7	62.6
Foreign debt servicing	8.8	7.7	86.9	85.3
Subventions to the Pension Fund	15.1	11.3	74.9	72.9
Subventions to the Social Insurance Fund	37.1	37.0	99.7	100.0
General subventions to local self-government entities	48.4	39.7	82.0	81.7
DEFICIT	-40.2	-21.9	54.5	75.7
Financing for budget of EU funds	-15.4	-4.3	27.8	9.7
DEFICIT FINANCING SOURCES	55.6	26.2	47.1	61.4
DOMESTIC	31.1	18.7	60.0	60.7
Treasury bonds	33.9	18.0	53.0	107.1
Revenues from privatisation	15.0	11.7	78.3	49.6
Pre-financing actions with EU sources	-0.4	0.0*	-	22.4
FOREIGN	24.5	7.5	30.8	62.9

* PLN 25.7 mn

January-September 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-August 2011: according to the provisional CSO data trade deficit shaped at the level of EUR 8,035 mn and was higher by EUR 1,068 mn, exports increased by 15.2%, when imports by 15.1% (yoy).

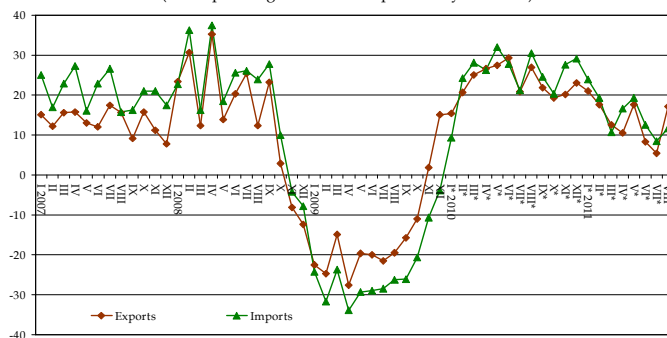
Foreign trade in mn EUR (CSO data)

	2009	2010	I-VIII 2010	I-VIII 2011
Balance	-9,311	-13,815	-8,035	-9,103
Exports	98,218	120,373	77,462	89,317
Imports	107,529	134,188	85,497	98,420

Foreign trade in mn EUR (NBP data)

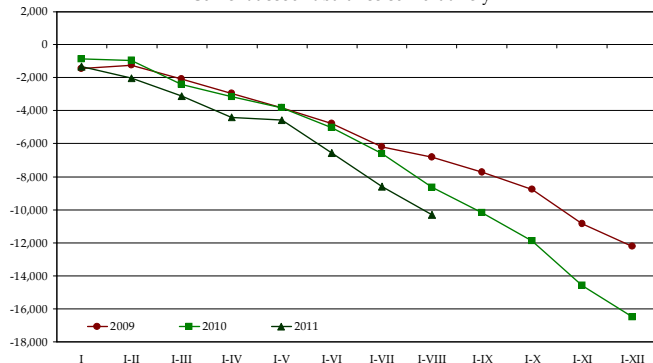
	2009	2010	I-VIII 2010	I-VIII 2011
Balance	-5,441	-8,899	-5,023	-6,968
Exports	101,674	125,071	80,643	91,529
Imports	107,115	133,970	85,666	98,497

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



January-August 2011: current account deficit amounted to EUR 10,328 mn, and was higher by EUR 1,697 mn (yoy).

Current account balance cumulatively



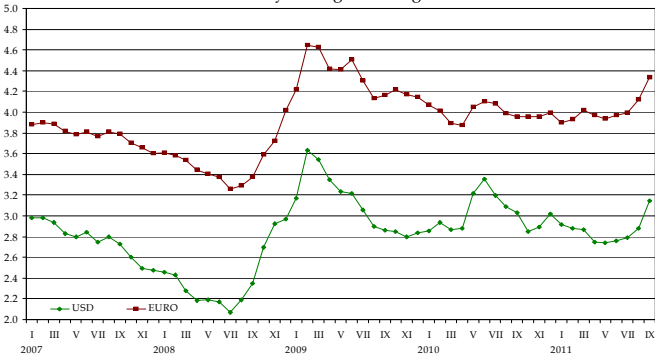
Current account balance

	2006	2007	2008	2009	I-VIII 2010	2010	I-VIII 2011
	-10,431	-19,272	-23,784	-12,214	-8,631	-16,495	-10,328

	2010	I-VIII 2010	I-VIII 2011
in mn EUR			
Polish direct investment abroad	-4,138	-1,324	-3,347
Foreign direct investment in Poland	6,736	4,070	5,229
Portfolio investment - assets	-784	-410	-62
Other investment - assets	-2,976	-2,285	-1,327
Official reserve assets	-11,464	-13,059	-5,248

January-September 2011: the zloty strengthened against the US dollar and weakened against euro. The EUR/PLN exchange rate increased by 0.4%, whereas USD/PLN decreased by 6.3% (yoy).

Monthly average exchange rate



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

		IX 2010	IV 2011	V	VI	VII	VIII	IX
1 USD	end of month	2.9250	2.6501	2.7468	2.7517	2.8109	2.8695	3.2574
	monthly average	3.0318	2.7467	2.7419	2.7586	2.7911	2.8770	3.1429
1 EUR	end of month	3.9870	3.9376	3.9569	3.9866	4.0125	4.1445	4.4112
	monthly average	3.9558	3.9706	3.9395	3.9695	3.9907	4.1232	4.3332

Source: Central Statistical Office, National Bank of Poland, Ministry of Finance.