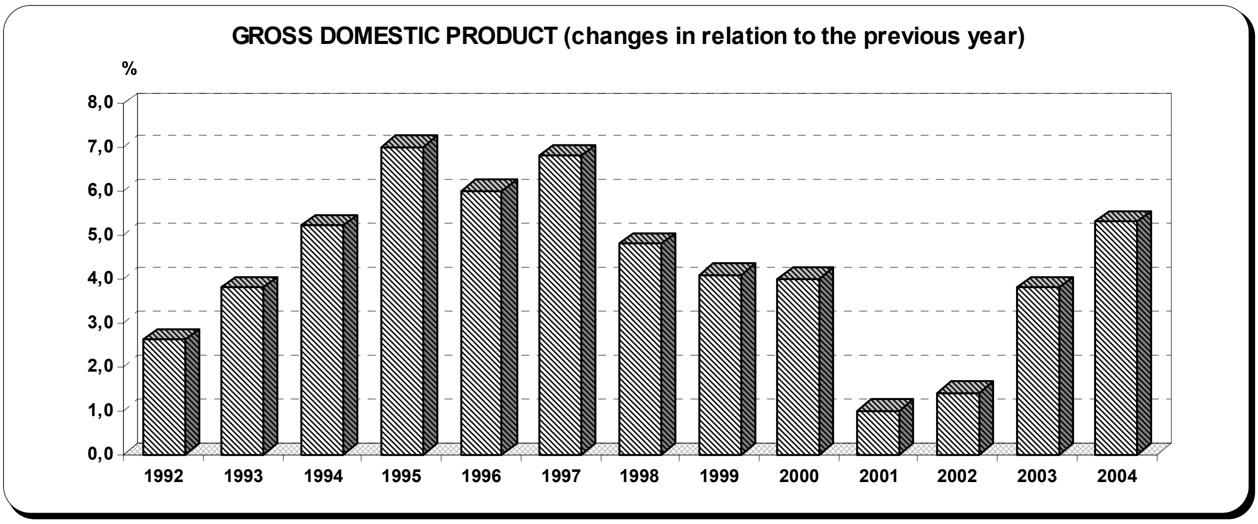
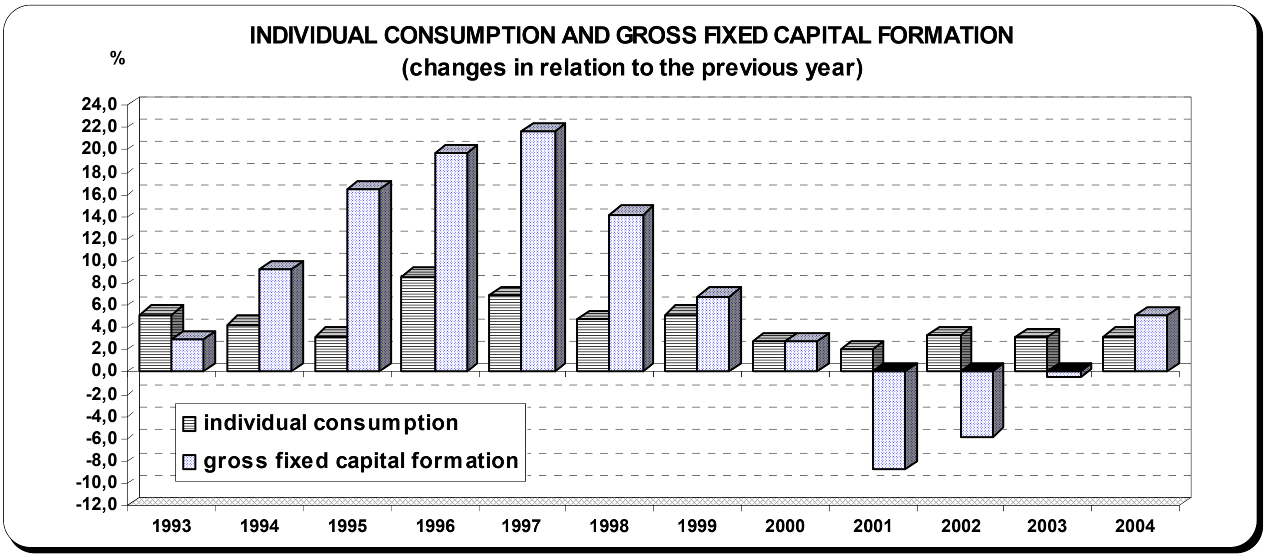
I. THE ECONOMY OF POLAND IN 2004

Introduction

Growth tendencies consolidated in the Polish economy in 2004. Increase of the gross domestic product was the highest in seven years. Acceleration of dynamics in industry and market services was observed, with much more favourable results in agriculture than last years, and a lower decline in construction than in the previous year. The growth of domestic demand, with a slower reconstruction of investment activity, was followed by a high growth rate of exports. A considerable increase of revenues, improvement of effectiveness and a relative decrease of strain on finances, contributed to improved financial situation of enterprises. The situation on the labour market continued to be difficult; with unemployment that remained at the highest level in the EU, the enterprise sector did not regain the number of workplaces from the preceding year. Growth of real wages and salaries was lower than in the previous year. After two years of low inflation, an accelerated increase of prices was observed in 2004.

A real growth of gross domestic product, according to preliminary estimates, was much higher than in the preceding years and reached 5.3% (against 3.8% in 2003 and 1.4% in 2002). The main factor affecting the high dynamics of the GDP in 2004 was the domestic demand, which increased in comparison to the preceding year by 4.5% (against 2.5% in 2003). Final consumption expenditure grew in total by 2.8% (in 2003 – by 2.4%), including individual consumption expenditure – by 3.2% (respectively by 3.1%). Gross fixed capital formation was higher by 5.1% (against its decline by 0.5% in 2003). Despite a clear improvement in dynamics of gross fixed capital formation, the investment rate in the national economy remained at a close level to 2003.





Gross value added generated in the national economy in 2004 increased by 5.0% in annual terms (against 3.7% in 2003). Its growth was much higher in industry (9.7%, against 6.3%), and reached 5.0% in the market services sector (against 3.6%), while a decline remained in the construction (1.4%, against 2.9%).

Good results in the national economy in 2004 were reflected in the financial situation of the surveyed enterprises, which recorded much more favourable gross and net financial results than in 2003, in the first place caused by much faster increase of revenues than the costs of their obtaining. Encumbrances of the gross financial result were relatively lower than in 2003. The main economic and financial indices of enterprises improved substantially as well.

In 2004, enterprises with the number of employees above 49 persons recorded an increase of the total outlays by 9.2%, against the insignificant decrease by 0.7% in the previous year. The greatest influence on increase of outlays was made by manufacturing.

According to estimates encompassing the complete statistical population, sold production of industry was in total more than 11% higher than in 2003. In entities with a number of employed above 9 persons, the growth of industrial production reached 12.3% (against 8.7% in the previous year), while a decisive acceleration of growth rate was observed in the first half-year, especially in the months directly preceding the accession to the EU. In 2004, the most rapidly developing were the divisions of the industry with a high export dynamics. A very high growth was observed in enterprises, producing mainly capital goods. A growth of production was reached under conditions of a considerable improvement of labour efficiency.

According to estimates for the complete statistical population, construction and assembly production in 2004 was running at a slightly lower level than in 2003. Growth of retail sales was at approx. 3%, with sales of transport services more than 1% higher than in 2003, and sale of communication services still growing quickly – by more than 10%.

Adverse tendencies, visible in 2002-2003, changed in the agricultural output According to a preliminary estimate, due to a considerable growth of crop output, the gross agricultural output increased as compared to the preceding year by 7.6%. Crops of the main agricultural products, especially including rape and agrimony, were much higher than very low crops in the previous year. Results of a farm animal stocks census conducted at the end of 2004 demonstrated weaker downward tendencies, although the headcount of pigs and cattle was still lower than respectively in 2003. As a result of good crops, prices of main crop products in the second half-year declined significantly in annual terms. However, a very fast growth of prices of animal origin products and livestock was observed since May 2004. As a result of a higher increase of prices of agricultural products than prices of goods and services purchased by farms, the „price gap" index improved – to 102.2%, after three years of staying at an unfavourable level.

A higher increase of turnover in commodities, both in exports and imports, was observed in 2004 in foreign trade as compared to 2003. The negative balance improved due to a much higher dynamics of exports over imports.

Starting with the second quarter of 2004, a gradual strengthening of zloty towards dollar and euro was observed. In December 2004, the average official exchange rate of US dollar was by 18.3% lower as compared to preceding year, and euro – by 11.0%. The average exchange rate of US dollar was by 6.0% lower than in 2003, and euro – by 3.1% higher.

Situation on the labour market was still difficult in 2004, despite certain symptoms of improvement The average paid employment in the enterprise sector went down, but to a much lower degree than in 2003 (0.9%, against 3.8%). The scale of decline in the consecutive periods of 2004 was consistently decreasing, and in December a slight increase of employment was noticed in annual terms (by 0.2%). In the period of the twelve months of 2004 the number of registered unemployed persons decreased by 5.5% (to 3.0 mn). The unemployment rate in December 2004 was equal 19.1%, i.e. by 0.9 pt lower than in 2003. The share of persons with a right to benefits in the number of the registered unemployed was consistently diminishing.

In December 2004, prices of the sold production of industry were by 5.2% higher than in the previous year. A considerable acceleration of their dynamics as compared to 2003 was recorded especially in April and May 2004. Their average annual increase reached 7.0% and was much higher than in 2003 (2.6%). In construction a consistent growth of prices as compared to 2003 was observed since March – to 4.8% in December. The average annual growth of prices equalled 2.5%, against a decline by 1.1% in 2003.

In the months, directly after accession to the EU, a substantially greater increase of prices of consumer goods and services was reported as compared to the preceding year. In December 2004 they were by 4.4% higher than in the previous year. The average annual growth of consumer prices reached 3.5% and was higher than the one recorded in two preceding years and greater than outlined in the budget law. First of all, prices of fuels and foodstuffs were raised. Goods and services related to dwellings became also more expensive than in 2003.

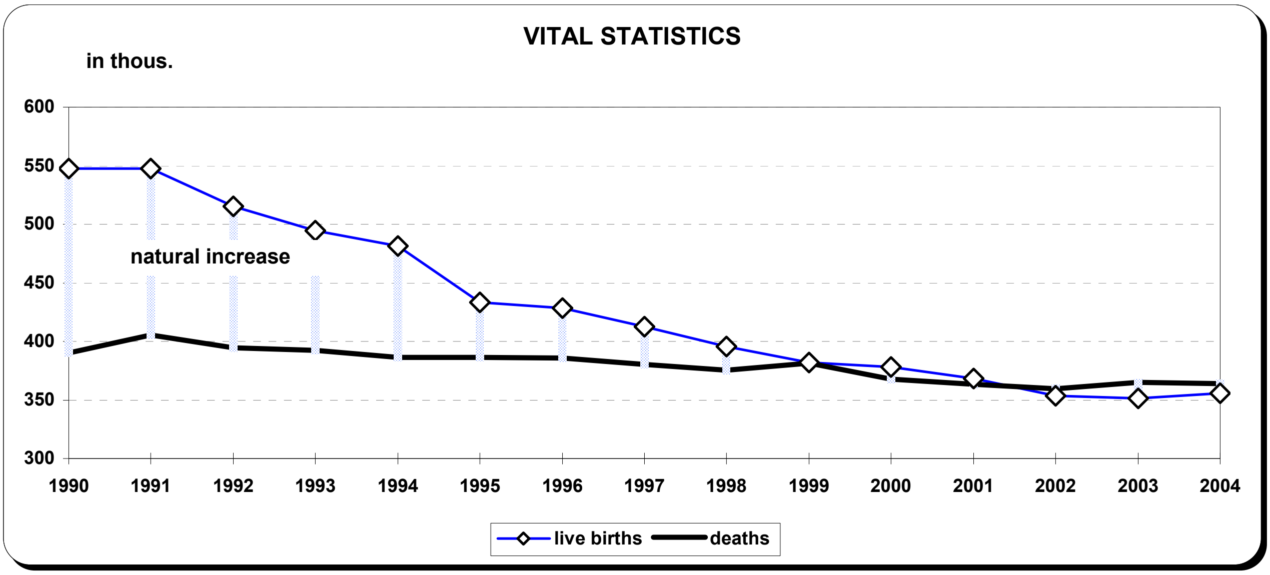
In 2004, the average, monthly gross wages and salaries and gross retirement pays and pensions in the enterprise sector were higher than in the preceding year, yet a significant increase of consumer prices caused that the dynamics of their purchasing power was much smaller than in 2003. In 2004, the growth of real wages and salaries in the enterprise sector totalled 0.8%, retirement pays and pensions in the employee's social security systems – 0.6%, and in case of retirement pays and pensions of farmers a decrease by 1.0% was observed.

The deficit of the state budget in 2004 equalled PLN 41420.3 mn, which constituted 91.4% of the amount outlined in the budget law for the whole year.

Demographic Situation of Poland

The demographic development of Poland in 2004 did not change significantly in respect of tendencies observed in the second half of 1990's. In the sixth consecutive year, a real decrease of population was observed, being at the same time a third year, with a negative natural increase. In the years 1999–2004, as a result of a low natural increase and a negative balance of foreign migrations, the population of Poland decreased by above 100 thousand persons.

A significant decline of the birth rate stood directly behind a decrease in the number of population. Starting with 1993, the number of births was running at the level below 500 thous., and from 1998 – below 400 thous.; while mortality rate did not change substantially.



In 2004, despite a favourable change in the number of births and deaths in relation to the preceding year, a negative natural increase was recorded, i.e. there were by 7.4 thous. more deceased than born persons (in 2003 a negative natural increase equalled 14.1 thous.). The balance of long-term foreign migrations for permanent residence that was negative for Poland in the whole post-war period, decreased to the level of minus 9.4 thous. persons in 2004.

At the end of 2004 the population of Poland totalled 38175 thous. persons (i.e. o 17 thous. persons fewer than at the end of 2003).

In 2004 the number of live births equalled 356.1 thous., i.e. by 5 thous. more than in 2003, and approx. 35% less than in 1990, while over a half less than in 1983, a peak year of the last population boom. The birth rate was at the level 9.3‰ that is by 0.1 pt higher than in the preceding year and by 5.0 pt lower than in 1990. A decrease in the number of births concerned both families living in urban and rural areas.

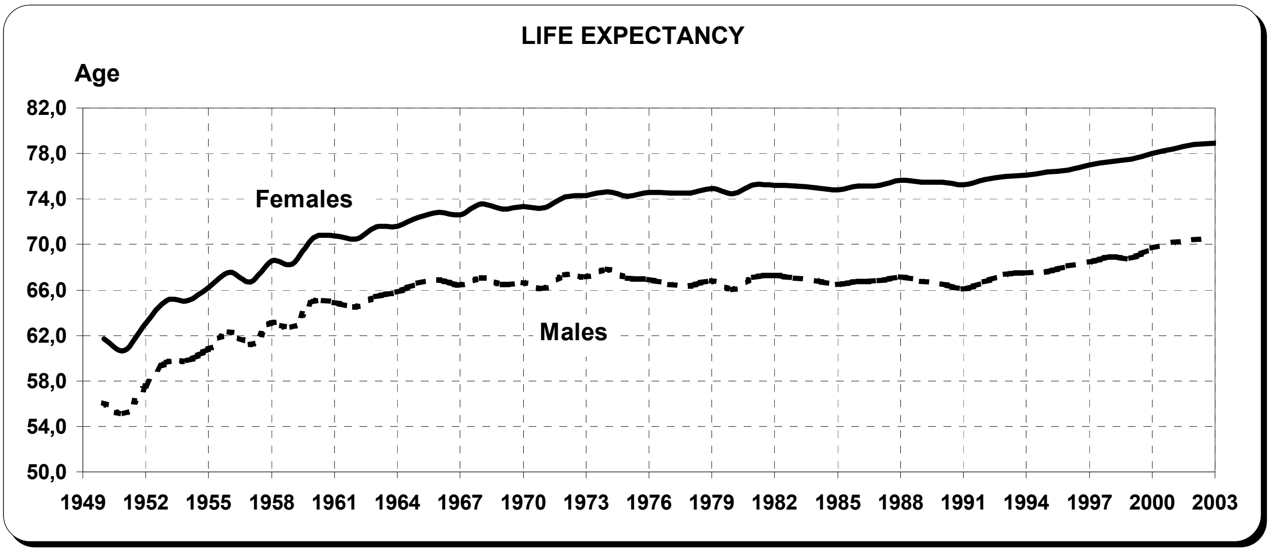
It is estimated that more than 191.8 thous. new marriages were contracted in 2004 (3.6 thous. less than in 2003). The marriage rate came down insignificantly to the level of 5.0‰. Frequency of entering into marriages in urban areas is lower, whereas in the beginning of the 1980's there were opposite proportions. Approximately 73% of legally contracted marriages were composed of religious marriages, i.e. contracted in churches and at the same time registered in civil registry offices.

The number of divorces amounted 56.2 thous. in 2004 (48.6 thous in 2003). Out of 1000 existing marriages, on the average 6 were dissolved at courts. In case of 5.9 thous. marriages courts adjudicated separation (almost twice more than in 2003), and for approx. 30 married couples annulled separation. The divorce rate increased in comparison to noted in 2003 by 0.2 pt and amounted 1.5‰. The number of divorces was three times higher in urban than in rural areas.

In 2004, 363.5 thous. persons died, i.e. by 1.7 thous. fewer than in 2003, the death rate amounted to 9.5‰ (9.6‰ in 2003). In the total number of the deceased persons, 47% were women. From 1991 a systematic decline of deaths was observed, except of a certain break in the tendency in 1999 and in 2003.

The number of deaths among infants is still diminishing. According to estimates, approx. 2.4 thous. children below 1 year died in 2004, it is by approx. 0.1 thous. fewer than in 2003 and above 4-times fewer than in 1990. Infant mortality rate was remaining at the level of 6.8‰ (in 2003 – 7.0‰, and in 1990 – 19.3‰). Out of the total number of the deceased infants, more than a half of children (51%) died within the first week, and next 20% before they reached the first month of their lives.

Constant improvement in the situation of mortality, observed in the 1990's had a positive impact on life expectancy. It is expected that with the unchanged conditions of dying out of population in relation to 2003 , a boy, who was born in 2003 would reach the age of 70.5 years on average, and a girl – 78.9 years, i.e. respectively by 4 and 3.4 years more than in 1990 There is still a great difference between life expectancy for man and women (above 8 years), while the European average is 5–6 years. The age of survival in Poland is lower than in the group of leading European countries (by 4–5 years for women and by approx. 6–7 years for men).



In the total number of population women are constitute almost 52%, for every 100 men there were 107 women (111 among the urban population, and 101 in the rural areas). This ratio was changing depending on the age. Among persons at the age of 0-40 lat there was a majority of men (approx. 96 women per 100 men), at the age of above 40 there were approx. 121 women per 100 men, while in the oldest generations (65 years old and more) – approx. 167 women.

A result of demographical changes is a rapid decrease in the number of children and youth (0-17 years old). Their share in the total number of population went down to approx. 21% (from almost 30% in 1990). Children at the age below 15 constitute currently approx. 17% of the total population, against almost 25% in 1990.

Particularly big changes could be observed in the group of persons in the working age (18-59 years for women, and 18–65 lat for men). Starting with 1990, the percent of persons at the age of capability to work (in the total number of population) increased by 6 pt (from 57.5% to approx. 63.5%). There was also a further growth of the number of persons at the age when they acquired retirement rights and older (men at the age of 65 and more, women at the age of 60 and older). The percent of this population group in the total population was above 15% (in 1990, it was less than 13%). The share of persons at the age of 65 and more (men and women together) was approx. 13%, against approx. 10% in 1990. At present there are 60 persons in non-working age per 100 persons in working age, i.e. 24 persons in post-working age and 36 persons at the age up to 17 (in 1990 74 persons – respectively 22 and 52).

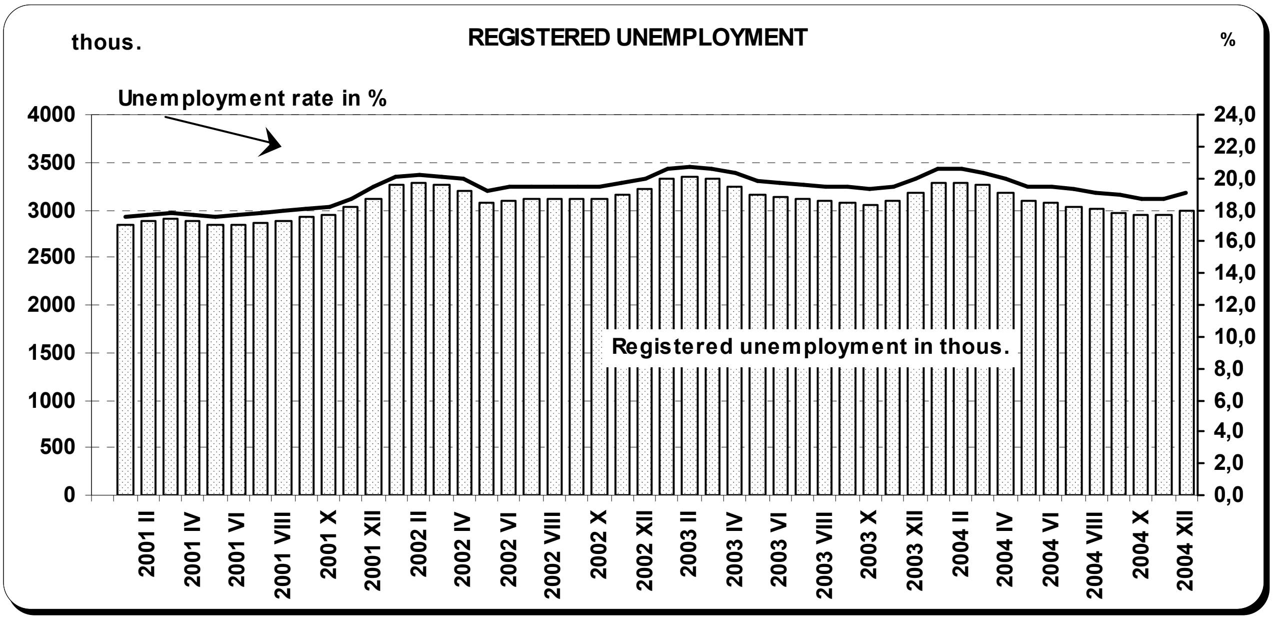
Basic demographical data for the years 1990–2004:

Specification	1990	1995	1996	1997	1998	1999	2000[a)]	2001	2002	2003	2004[b)]
Population total in thous. (as of 31 XII)	38183	38609	38639	38660	38667	38654	38254	38242	38219	38191	38174
Annual increase in thous.	145	28	30	21	7	-13	-9	-12	- 24	-28	-17
in %	0.38	0.07	0.08	0.05	0.02	-0.03	-0.02	-0.03	- 0.06	-0.07	-0.04
Males (in thous.)	18608	18786	18797	18801	18798	18784	18537	18525	18507	18486	18473
Urban population (in thous.)	23614	23877	23903	23925	23923	23894	23670	23627	23571	23513	23472
in %	61.8	61.8	61.9	61.9	61.9	61.8	61.9	61.8	61.7	61.6	61.5
Population at the age – in %											
pre-working (0-17 years)	29.7	27.6	27.0	26.3	25.6	24.9	24.4	23.5	22.7	21.9	21.1
working (18-59/64 years)	57.5	58.6	59.0	59.5	60.1	60.6	60.8	61.5	62.2	62.9	63.5
post-working (60/65 years and more)	12.8	13.8	14.0	14.2	14.3	14.5	14.8	15.0	15.1	15.2	15.4
0-14 years (children)	24.9	22.5	21.9	21.1	20.3	19.6	19.1	18.4	17.8	17.2	16.6
65 years and more	10.2	11.2	11.5	11.7	11.9	12.1	12.4	12.6	12.8	13.0	13.1
Average further life expectancy											
men	66.5	67.6	68.1	68.5	68.9	68.8	69.7	70.2	70.4	70.5	.
women	75.5	76.4	76.6	77.0	77.3	77.5	78.0	78.4	78.8	78.9	.
Marriages (in thous.)	255.4	207.1	203.6	204.9	209.4	219.4	211.2	195.1	191.9	195.4	191.8
per 1000 persons	6.7	5.4	5.3	5.3	5.4	5.7	5.5	5.1	5.0	5.1	5.0
Divorces (in thous.)	42.4	38.1	39.4	42.6	45.2	42.0	42.8	45.3	45.4	48.6	56.2
per 1000 persons	1.1	1.0	1.0	1.1	1.2	1.1	1.1	1.2	1.2	1.3	1.5
Live birth (in thous.)	547.7	433.1	428.2	412.7	395.6	382.0	378.3	368.2	353.8	351.1	356.1
per 1000 population	14.3	11.2	11.1	10.7	10.2	9.9	9.9	9.7	9.3	9.2	9.3
women's fertility rate	2.04	1.61	1.58	1.51	1.43	1.37	1.37	1.31	1.25	1.22	.
Total deaths (in thous.)	390.3	386.1	385.5	380.2	375.3	381.4	368.0	363.2	359.5	365.2	363.5
per 1000 persons	10.2	10.0	10.0	9.8	9.7	9.9	9.6	9.5	9.4	9.6	9.5
Infant deaths (in thous.)	10.6	5.9	5.2	4.2	3.8	3.4	3.1	2.8	2.7	2.5	2.4
per 1000 live births	19.3	13.6	12.2	10.2	9.5	8.9	8.1	7.7	7.5	7.0	6.8
Natural increase (in thous.)	157.4	47.0	42.7	32.5	20.3	0.6	10.3	5.0	- 5.7	-14.1	-7.4
per 1000 persons	4.1	1.2	1.1	0.9	0.5	0.0	0.3	0.1	- 0.1	-0.4	-0.2
International migrations for permanent residence (in thous.)											
immigrant	2.6	8.1	8.2	8.4	8.9	7.5	7.3	6.6	6.6	7.0	9.5
emigrant	18.4	26.3	21.3	20.2	22.2	21.5	27.0	23.3	24.5	20.8	18.9
net of migration	-15.8	-18.2	-13.1	-11.8	-13.3	-14.0	-19.7	-16.7	- 17.9	- 13.8	-9.4

a) The difference for 2000 amounts to 390 thous. and is a result of unbalanced states of population, counted on the basis of censuses from 1988 and 2002. For years 2000-2004, data related to the number and structure of population were balanced on the basis of results of the National Population and Housing Census 'NSP'2002.
b) Preliminary data.

Labour Market

In 2004, the situation on the labour market still remained difficult, although a slow-down of adverse tendencies was observed. After a significant decrease in previous years, in 2004 the average paid employment in the enterprise sector decreased slightly in annual terms, and in December last year it surpassed somewhat the level from the preceding year for the first time since the beginning of 1999. From March until October 2004, a decline in the number of the registered unemployed persons was reported, and its seasonal growth in the last two months of the year was much smaller than in the corresponding period of 2003. As a result, at the end of December 2004, both the number of the unemployed person and the unemployment rate were running at a lower level than in the preceding year.



In 2004, the average paid employment in the enterprise sector equalled 4683.8 thous. persons, and it was by 0.9% lower than in 2003 (against a decline by 3.8% in 2003). The employment decreased to a smaller degree than in the preceding year in transport, storage and communication (2.8%, against 3.2%), mining and quarrying (3.0%, against 5.7%), electricity, gas and water supply (3.1%, against 3.3%) and construction (10.2%, against 16.1%). Similarly to the previous years, the employment increased in real estate, renting and business activities. Its growth occurred also in hotels and restaurants, trade and repair and manufacturing, while in 2003 a reduction of employment was noted in these sectors. The increase of employment was observed in manufacturing, among others in divisions characterised by a considerable dynamics of industrial sales, i.e. in manufacture of motor vehicles, trailers and semi-trailers; furniture, manufacturing n.e.c. and metal products. However, a growth of production was not followed by a higher employment, among other things in the entities manufacturing electrical machinery and apparatus, food products and beverages, machinery and equipments and other non-metallic mineral products.

At the end of 2004, a seasonal growth of unemployment, much smaller than in the preceding year, was reported. At the end of December last year there were 2999.6 thous. unemployed persons registered in labour offices, i.e. by 176.1 thous. less than in the preceding year (in December 2003 – a decrease by 41.3 thous. persons). The number of the unemployed persons declined in all voivodships, while the most – in Opolskie (by 8.7%), Lubuskie (by 8.0%) and Dolnośląskie (by 7.6%), and the least – in Świętokrzyskie voivodship (by 0.2%).

At the end of December 2004, the unemployment rate was equal 19.1% and by 0.9 pt lower than in 2003. The highest unemployment rate was still recorded in Warmińsko-mazurskie voivodship (29.2%), Zachodniopomorskie (27.4%) and Lubuskie (25.8%), while the lowest – in Małopolskie and Mazowieckie voivodships (15.0% each).

The number of the registered unemployed persons and the unemployment rate were as follows:

Specification	2003					2004				
	I–III	IV–VI	VII–IX	X–XII	I–XII	I–III	IV–VI	VII–IX	X–XII	I–XII
Registered unemployed persons (end of period):										
in thous. persons	3321.0	3134.6	3073.3	3175.7	3175.7	3265.8	3071.2	2970.9	2999.6	2999.6
corresponding period of the previous year =100	101.9	101.4	98.7	98.7	98.7	98.3	98.0	96.7	94.5	94.5
Newly registered unemployed persons:										
in thous. persons	635.5	552.4	711.7	742.6	2642.2	690.5	579.6	686.9	727.2	2684.1
corresponding period of the previous year =100	102.6	101.2	102.8	107.2	103.6	108.7	104.9	96.5	97.9	101.6
Deregistered unemployed persons:										
in thous. persons	531.5	738.8	773.0	640.2	2683.5	600.4	774.2	787.2	698.4	2860.2
corresponding period of the previous year =100	112.0	103.3	115.3	108.8	109.6	113.0	104.8	101.8	109.1	106.6
Unemployment rate (end of period) in %	20.6	19.7	19.4	20.0	20.0	20.4	19.4	18.9	19.1	19.1

There were more persons deregistered than registered in unemployment rolls in 2004. There were 2860.2 thous. persons removed from unemployment rolls, i.e. by 176.7 thous. more than in 2003. The majority of persons were crossed out in the third quarter – 787.2 thous. persons, and the least in the first quarter – 600.4 thous. persons. The main cause of deregistering was that jobs were taken up by 1364.6 thous. unemployed persons, it is 47.7% of the total number of the deregistered persons (1297.3 thous in the preceding year, i.e. 48.3%). Non-subsidized jobs (including seasonal) were taken up by 1166.6 thous. persons (against 1033.6 thous. in 2003), and subsidized (including intervention and public works) – 198.0 thous. persons (against 263.7 thous.). There were 32.2 thous. persons who obtained retirement pay or pension entitlements (37.3 thous. respectively in 2003). Due to a started training or internship with the employers, 276.9 thous. persons were removed from the unemployment rolls (261.7 thous. in 2003). The number of the newly registered unemployed persons totalled 2684.1 thous., i.e. o 41.9 thous. more than in 2003. The highest number of new registrations was reported in the fourth quarter – 727.2 thous. persons that was still 15.4 thous. less than in the corresponding period of 2003. Among the total number of persons registered in 2004, 1990.4 thous. persons (74.2%) registered once again (in 2003 – 1883.0 thous., i.e. 71.3%).

The young people continued to be the group mainly affected by unemployment. At the end of December 2004, the largest group among the unemployed were persons at the age of 25-35 years (28.1%, against 28.0% in the preceding year). The share of persons at the age to 24 years in the total number of the unemployed persons decreased in comparison to 2003 (from 26.0% to 24.3%) and it was a group that was noted to have the highest decrease of unemployment in the annual terms (by 97.3 thous. persons, i.e. by 11.8%). The share of persons at the age of 35-44 years went down as well (from 21.7% to 21.0%), while the share of persons at the age of 45-54 years went up (from 21.2% to 22.7%) together with the persons at the age of 55 years and more (from 3.0% to 3.9%).

At the end of 2004, persons with low qualifications continued to constitute the largest number of the unemployed persons, but their share in the total number of the unemployed decreased slightly in comparison to the preceding year. At the end of December 2004, more than 66% unemployed persons had basic vocational, lower secondary or lower education (in the preceding year – almost 68%). At the same time the number of persons with tertiary education rose (from 4.4% at the end 2003 to 5.0% in December 2004), and the number of unemployed persons in this group increased in the annual terms by 9.2 thous. (i.e. by 6.5%).

There were more employment offers submitted to labour offices (794.0 thous., against 739.4 thous.), but still the demand for workplaces was higher than the number of offers.

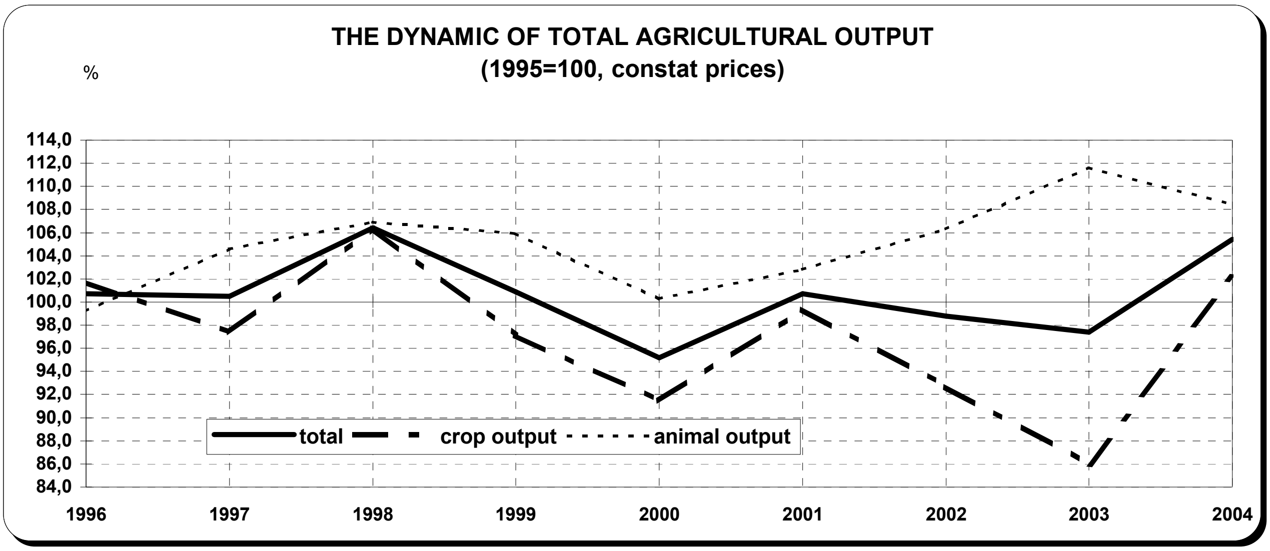
At the end of December 2004, the number of long-term unemployed persons declined in annual terms by 101.6 thous. to 1565.3 thous. persons, and it constituted 52.2% of the total number of the registered unemployed persons (52.5% in the preceding year).

At the end of December 2004, there were 2573.8 thous. persons without benefit rights, i.e. 85.8% of the total number of the registered unemployed persons (84.9% in the preceding year).

There were fewer persons in 2004 than in 2003 who took advantage of active forms of counteracting unemployment. There were 127.8 thous. persons sent for training, 93.9 thous. to interventions works and to public works – 75.8 thous. At the end of December 2004, there were 7.4 thous. persons under training, 20.5 thous. persons employed at intervention works, and 14.6 thous. persons engaged in public works.

Agriculture

After two years of decline in the agricultural output in 2004, the agricultural output recorded very good results due to a considerable rise of crop output. According to preliminary estimates, the gross agricultural output increased in comparison to the preceding year by 7.6%. The crop output in relation to a low level of the preceding year grew by 16.8%, while animal output fell by 2.7%.



The dynamics of the gross crop output (in constant prices) was as follows:

Specification	2000	2001	2002	2003	2004[a)]
	the previous year=100				
T o t a l	94.4	105.8	98.1	99.2	107.6
Crop output	94.2	108.6	93.3	94.3	116.8
Animal output	94.7	102.5	103.4	104.8	97.3
	1995=100				
T o t a l	95.2	100.7	98.8	97.4	105.4
Crop output	91.5	99.4	92.7	86.0	102.1
Animal output	100.3	102.8	106.3	111.6	108.4

[a)] Preliminary data.

The record breaking growth of crop output was a result of crops of all main agricultural products that were significantly higher in comparison to very low crops in 2003, especially including cereals (by 26.7%) as well as rape, and agrimony (over two-times higher). The amount of crops was mainly under the influence of a significant growth of yielding, as the effect of exceptionally good agro-meteorological conditions at the time of plant vegetation, as well as increased sown area of separate crops. As regards the animal output, a decrease of the stock of cattle and pigs was followed by a lower output of pigs for slaughter (by 11.5%), as well as cattle for slaughter (including calves for slaughter) and milk (respectively by 1.6% and 0.6%).

In 2004, the average prices of animal origin products on agricultural market were much above the 2003 level. Prices of the majority of main crop products were also higher than in 2003.

Price changes occurring from the beginning of the year were favourable for agriculture and the average price of generating agricultural market output in 2004 was higher than in the preceding year. With the growth of prices of agricultural products sold in 2004 by private farms on average by 11.0%, prices of goods and services purchased by farmers for production, investment and consumer purposes increased on average by 8.6%. As a result the price ratio index („price gap") went up to 102.2% after three unfavourable years for agriculture.

The dynamics of prices of sold agricultural products, goods and services purchased by private farms and the price index ratio („price gap") was as follows:

Specification	2000	2001	2002	2003	2004 [a)]
	previous year=100				
Prices of sold agricultural products	114.7	103.8	92.6	99.5	111.0
Prices of purchased goods and services	111.4	106.5	101.9	102.1	108.6
Price ratio index („price gap") of sold agricultural products against purchased goods and services	103.0	97.5	90.9	97.5	102.2

a) Preliminary data.

Prices of the main means of agricultural production rose in 2004. The highest growth was reported by the prices of agricultural machines and equipment that went up by 17.7% and fertilizers – by 14.0%. The prices of fuels, seeds for sowing and fodder increased by more than 12%, while the prices of construction materials rose by more than 11%.

In 2004, a moderate increase of cereals prices, and a sharp growth of prices of animals for slaughter were reported. Therefore, farmers had to sell more seeds, and fewer animals for slaughter, in order to cover the costs of purchase of much more expensive means of production as compared to the preceding year.

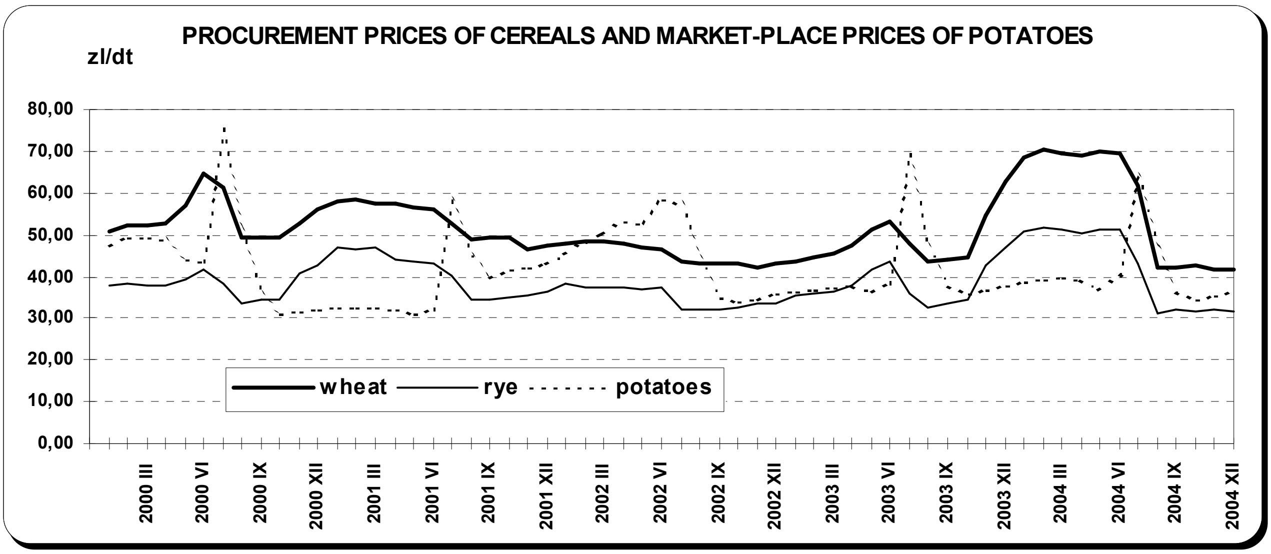
The total sown area for 2004 production amounted to 11.3 mn ha, and it was by 0.4 mn ha (by 3.6%) greater than in the preceding year. The total area sown with cereals equalled 8.4 mn ha and it was by more than 0.2 mn ha (o 2.6%) greater than in 2003 , but by 0.4 mn ha (o 4.8%) smaller than the average from years 1996–2000. The area of the production of basic cereals with mixed cereals was determined to be more than 7.9 mn ha, i.e. by 143.3 thous. ha more (by 1.8%) than in 2003 and approx. 737.5 thous. ha less (by 8.5%) in comparison to the average from years 1996–2000. In relation to the preceding year the area of rape and agrimony increased also – by 112.0 thous. ha (by 26.3%), sugar beets – by 6.1 thous. ha (o 2.1%), ground vegetables – by approx. 208 thous. ha (by 4.7%) strawberries (by 19.3%), and raspberries (by 6.9%). The area of potatoes production dropped sharply – to approx. 713 thous. ha (by 6.9%) and therefore it was by 44.8% lower than the average of 1996–2000.

Consumption of mineral and chemical fertilizers (NPK) for 2004 harvests totalled 1622.1 thous. t (by 7.3% more than in the economic year 2002/03), and as per 1 ha of agricultural land it was equal to 99.3 kg (by 6.1% more). Consumption of nitrogenous fertilizers was equal to 54.8 kg per 1 ha of agricultural land (by 6.4% more), potassic – 24.8 kg (by 6.0%), and phosphatic – 19.7 kg (by 5.3%). The height of the plant yield was affected by the increased consumption of yield-forming factors together with favourable weather conditions.

Consumption of lime fertilizers (CaO) in 2004 harvests was continuously falling in 2004 and amounted to 1525.9 thous. t. This means a further decrease of fertilization per 1 ha of agricultural land – to 93.5 kg, against 94.6 kg in 2003.

Procurement of basic cereals (including cereal mixes without seed grain) from record breaking crop production of 2004, totalled 3791.1 thous. t in the period of July–December 2004[1] and was by 6.9% lower than in the corresponding period of 2003. Procurement of wheat stood at 2708.6 thous. t (27.4% of crop production), i.e. by 15.8% less, while rye - 549.1 thous. t (12.8% of crop production), i.e. respectively by 7.4% more. There were 262.2 thous. t of basic cereals purchased in December 2004 (including cereal mixes, without seed grain), i.e. by 84.7% more than in the preceding year, of which purchase of wheat was 190.0 thous. t, and rye – 31.6 thous. t, i.e. more than twice as many as in December 2003.

Situation on the cereal market in the first half of last year was under the influence of a lower supply of cereals from harvests of 2003. In the second half-year of 2004, cereal prices were under the influence of a higher supply than demand and demonstrated a downward tendency until the end of the year. At procurement centres in 2004 the average price for wheat was PLN 48.15 per dt, and PLN 36.34 per 1 dt of rye, i.e. respectively by 5.9% and 3.7% more than in 2003. The average marketplace prices of wheat (PLN 59.08 per dt) were higher by 10.8%, and rye (PLN 44.40 per dt) – by 9.7%.

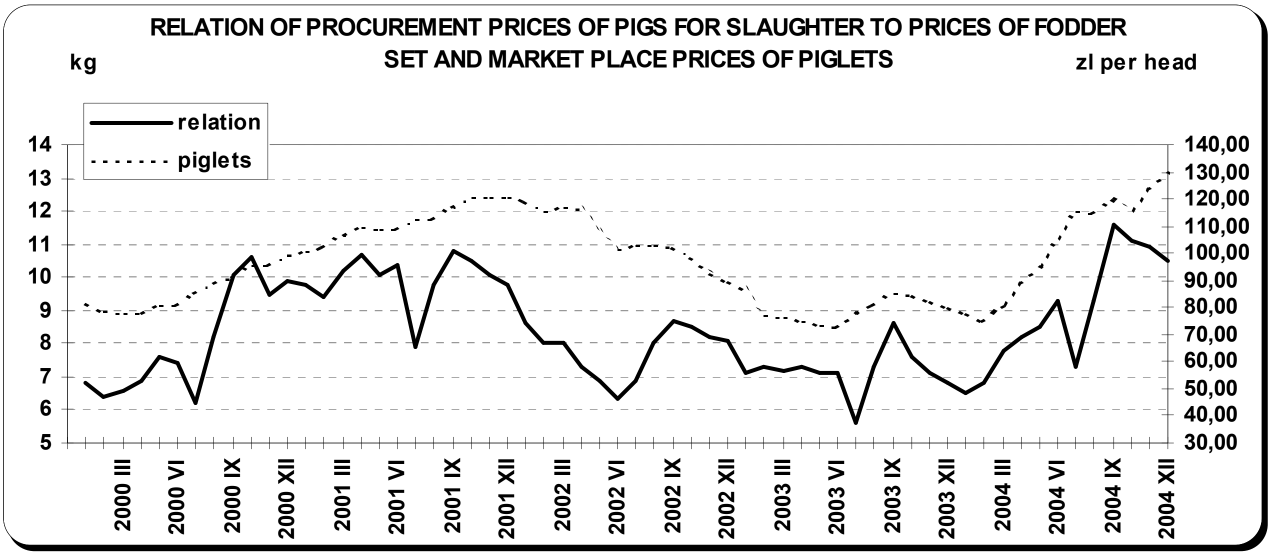


Potato production in 2004, estimated at 14.0 mn t, were by 1.9% higher than the ones achieved in the preceding year due to increased yield, but due to consistent reductions of the arable area, it was lower by 40.7% than the average of 1996–2000. In the period of the first half-year, potato prices were higher than in 2003 (respectively by 14.2% and 4.9%) both in procurement, and marketplaces.

Situation in animal output was from the beginning of 2004 under the influence of the tendency of limiting the stock of pigs that had the onset in the middle of 2003, the persisting downward trend in cattle breeding and a further increase of poultry production.

Procurement prices of pigs for slaughter were showing the upward tendency in 2004. Their growth, caused in the first months by interventions of the Agricultural Market Agency, from the second quarter was a result of decreasing market supply. In 2004, the average prices of pigs for slaughter in procurement centres (PLN 4.11 per kg) and marketplaces (PLN 4.01 per kg) were much higher than in 2003 (respectively by 29.7% and 26.9%).

In 2004, profitability ratios of pigs breeding were running at a high level, with growing prices of pigs for slaughter and declining cereal prices. The ratio of the average procurement price of 1 kg of pigs for slaughter to 1 kg of rye (according to marketplace prices) increased from 6.6 in January to 13.0 in September, and ratio of procurement prices of pigs for slaughter to prices a fodder set – respectively from 6.5 to 11.6. Prices of piglets increased as a result of the growing profitability of production of pigs for slaughter starting from March 2003. The average annual price equalled approx. PLN 104 per head and was by approx. 31% higher than in 2003. The consequence of the growing prices of piglets was a gradual increase of the number of sows mating, as the evidence of a growing interest in production of pigs. There were 3.0% more sows covered in December 2004 than in the preceding year.



Despite a continuing high supply of poultry for slaughter, their prices rose in the period from February to July last year (in July the purchasing price of 1 kg of poultry for slaughter reached PLN 3.68). Starting with August, prices were falling to PLN 3.22 per kg in December, accompanied by a very high supply, but it was a level by 5.0% higher than in the preceding year. On average, the cost of 1 kg of poultry for slaughter was PLN 3.28 in 2004, i.e. by 8.8% higher than in 2003.

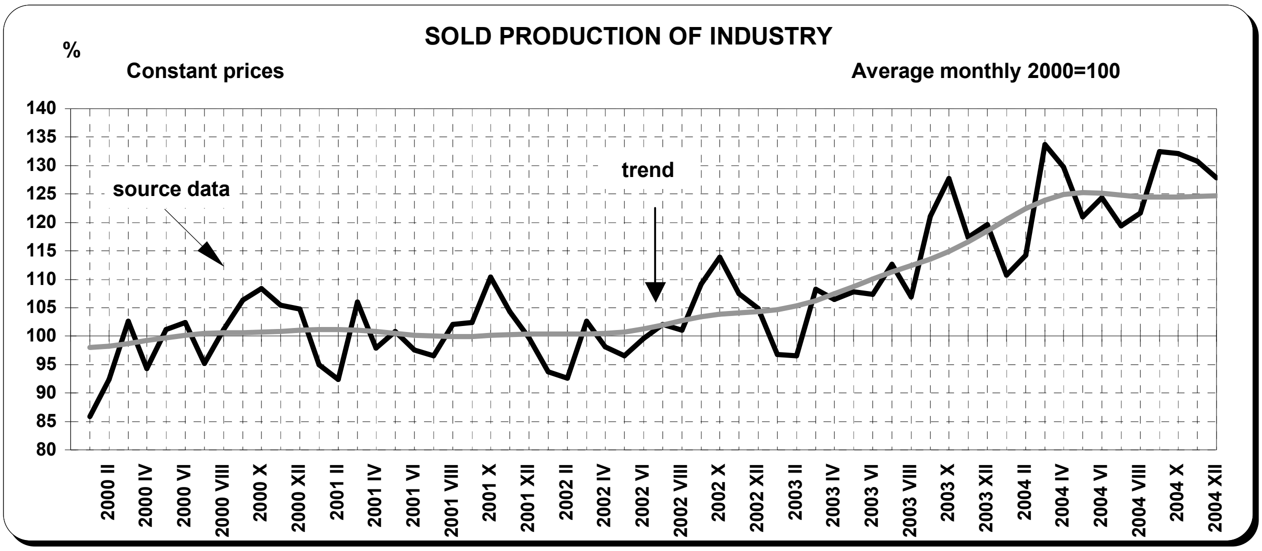
Prices of cattle for slaughter in procurement, illustrated an upward tendency in the first half of 2004, while a considerable acceleration of its dynamics was observed in May and June, after opening the EU market for Poland and increase reported in the external demand for beef. In the second half of 2004, procurement prices were characterized by slower dynamics, and in December the price of cattle for slaughter was equal to PLN 3.78 per kg and PLN 4.06 per 1 kg of young cattle for slaughter (i.e. respectively by approx. 45% and by approx. 38% more than in the preceding year). The average annual price of cattle for slaughter in procurement was PLN 3.30 per kg, and in marketplaces – PLN 3.16 per kg and was respectively higher by approx. 31% and by approx. 23% than in 2003.

According to initial estimates the 2004 production of animals for slaughter (cattle, calves, pigs, sheep, horses and poultry) totalled 4516.4 thous. t (in live weight) and was by 5.3% lower than in 2003, including production of pigs for slaughter – 2506.7 thous. t (by 11.5% lower), production of cattle (including calves) – 656.9 thous. t (by 1.6% smaller), and poultry for slaughter – 1311.5 thous. t (by 6.8% higher).

Despite a continuing downturn tendency in the stock of cows, milk supply to procurement, as a result of a progressing specialization of farms and improvement of milk yield of cows and increase of marketability of milk production, in the period of January–December last year was higher by 6.3% than in 2003 and totalled 7682.5 mn l. Procurement prices of milk were growing in 2004 and in December the price of 100 l of milk was on average at PLN 98.27, i.e. by 23.8% more than in the preceding year. The average annual procurement prices of milk equalled PLN 86.72 per 100 l and were by more than 20% higher than the prices recorded in 2003.

Industry

It is estimated that the total sold production of industry in 2004 was by 11.7% higher than in the preceding year (in 2003 – a growth by 8.3%). The share of private sector in the sold production of industry increased from 78.0% in 2003 to 81.6%.



In 2004, the sold production of industry in enterprises employing more than 9 persons was running at the level of 12.3% higher than in the previous year (against 8.7% in 2003), while production in the first and second quarter was characterized by the most rapid increase – respectively by 19.0% and 16.4% higher (against 4.4% and 9.1% in 2003).

A higher dynamics than in 2003 resulted by a significant acceleration of production growth in manufacturing (to 14.6%, against respectively 10.5% in 2003). In mining and quarrying production increased by 2.0% (against a decline by 3.6% in the preceding year), while the in electricity, gas and water supply declined by 1.8% (against a growth by 1.4%). The share of manufacturing in the sold production of industry went up by 1.7 pt to 84.7%, and mining and quarrying – by 0.2 pt to 5.0%, however electricity, gas and water supply decreased by 1.9 pt to 10.3%.

Among the main industrial groups[2] the fastest growth was observed in sale of enterprises producing mainly capital goods – by approx. 35%, while production of motor vehicles, trailers and semi-trailers constituted almost a half of sale in this group of goods. Sale in enterprises producing mainly durable consumer goods increased as well (by approx. 19%) and intermediate (by approx. 12%). Sale of non-durable consumer goods increased by approx. 7%, and energy goods related - approx. 1%.

In comparison to 2003, a high growth of production was recorded in industrial divisions and groups considered as drivers of technological development – by 39.7%, as a result their share in the value of sold production of industrial enterprises with a higher number of employees than 49 persons increased from 13.7% in 2003, to 15.9%.

The sold production in enterprises with the number of employees above 9 persons had the following dynamics (in constant prices) and structure (in current prices):

Specification	2003					2004						2003
	I-III	IV-VI	VII-IX	X-XII	I-XII	I-III	IV-VI	VII-IX	X-XII	I-XII	I-XII	
	corresponding period of the previous year=100										structure in %	
Industry	104.4	109.1	108.9	112.2	108.7	119.0	116.4	109.2	106.2	112.3	100.0	100.0
mining and quarrying	95.7	93.0	99.8	96.7	96.4	100.2	112.1	98.3	98.8	102.0	5.0	4.8
manufacturing	104.9	111.1	110.5	114.6	110.5	123.5	119.2	110.0	107.7	114.6	84.7	83.0
electricity, gas and water supply	104.5	99.9	98.8	101.5	101.4	98.3	91.9	106.8	96.9	98.2	10.3	12.2
Out of total industry - divisions:												
mining of coal and lignite; extraction of peat	97.6	88.0	96.0	100.1	95.7	99.4	116.1	102.5	96.9	103.0	3.6	3.4
manufacture of food products and beverages	100.9	109.3	105.5	105.9	105.5	111.2	104.8	102.0	106.5	106.0	17.9	18.8
manufacture of textiles	108.7	107.3	105.5	111.7	108.4	110.8	116.9	108.0	102.9	109.5	1.5	1.6
manufacture of wearing apparel and furriery	97.5	97.4	93.9	91.3	94.9	96.9	92.0	90.9	93.0	93.2	1.1	1.4
manufacture of wood and wood, straw and wicker products	97.0	102.5	100.2	140.0	108.0	122.7	115.9	104.9	106.0	111.9	2.6	2.6
manufacture of coke, refined petroleum products	93.9	106.6	100.4	106.2	101.8	115.1	107.9	105.6	98.4	106.2	5.6	4.5
manufacture of chemicals and chemical products	114.1	110.4	107.1	114.2	111.3	110.8	111.4	107.4	109.5	109.7	6.2	6.4
manufacture of rubber and plastic products	116.0	123.4	115.0	126.5	120.3	129.9	122.1	108.7	98.9	113.7	4.5	4.7
manufacture of other non-metallic mineral products	96.5	101.3	110.7	125.4	108.9	138.8	119.9	100.4	95.1	110.3	3.9	4.2
manufacture of basic metals	100.3	102.0	107.4	106.7	104.2	127.8	126.2	113.5	114.3	120.2	5.0	3.9
manufacture of metal products	108.3	114.6	113.5	119.6	114.3	131.8	124.7	110.1	113.8	119.1	5.1	4.9
manufacture of machinery and equipment n.e.c.	107.3	109.0	126.3	121.7	116.5	127.1	126.8	107.5	108.5	116.3	4.4	4.4
manufacture of electrical machinery and apparatus n.e.c.	118.2	130.2	119.0	123.0	122.6	126.4	119.1	123.1	77.5	109.3	3.1	3.3
manufacture of motor vehicles, trailers and semi-trailers	107.3	130.9	134.3	148.9	130.7	173.0	171.6	146.1	141.5	156.4	9.3	7.0
manufacture of other transport equipment	71.9	85.0	83.7	129.2	93.1	170.5	126.4	123.4	103.8	125.2	1.7	1.6
electricity, gas, steam and hot water supply	104.8	100.2	98.8	101.9	101.7	98.2	91.6	108.2	96.7	98.3	9.3	11.1

The increase of sold production in comparison to 2003 was noted in 21 industrial divisions (among 29), including increase by more than 10% in 11 divisions. A considerable increase of production was reported among others in manufacture of:

- motor vehicles, trailers and semi-trailers – by 56.4% (of which motor vehicles – by 62.2%),
- metals – by 20.2% (of which cast-iron and steel and steel alloys – by 25.4%, pipes – by 24.8%),
- metal products – by 19.1% (of which treatment and coating of metals – by 54.7%, forging, pressing, stamping and rolling of metals – by 40.0%),
- machinery and equipment – by 16.3% (of which, among others, domestic appliances – by 31.9%, for agriculture and forestry machinery – by 28.5%),
- furniture; other production activity – by 14.5% (of which sports equipment – by 20.1%, furniture – by 18.4%),
- rubber and plastic products – by 13.7% (of which rubber products – by 18.6%).

Sale of food products and beverages was higher than in 2003 by 6.0% (increase appeared in groups with a significant share in food production, among other things in manufacture of prepared animal feeds – by 12.1%, production of dairy products – by 10.5%, production of other food products – by 9.0%, processing and preserving of fruits and vegetables – by 7.0%).

In the period of twelve months of 2004, eight divisions of industry witnessed a decline of sold production, including, among others, manufacture of wearing apparel and furriery, processing of leather and manufacture of leather products.

Among divisions of manufacturing, the increase was visible, among other, in the share of manufacture of motor vehicles, trailers and semi-trailers (from 7.0% to 9.3%), metals (from 3.9% to 5.0%), metal products (from 4.9% to 5.1%), while a decrease occurred, among other things, in – food products and beverages (from 18.8% to 17.9%), chemicals and chemical products (from 6.4% to 6.2%), rubber and plastic products (from 4.7% to 4.5%), electrical machinery and apparatus (from 3.3% to 3.1%).

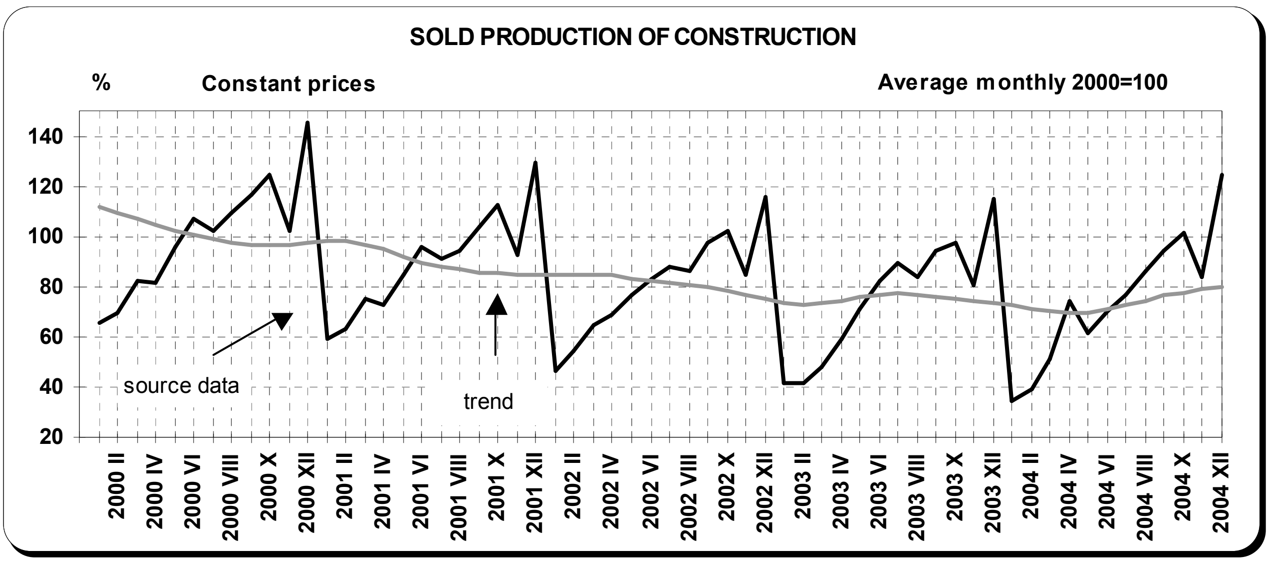
Labour efficiency in industry, measured in terms of by sold production per one employee person, was by approx. 13% higher than in 2003, with the average employment lower by 0.4%.

Out of 245 industrial products and groups of industrial products[3] observed in 2004, production of 184 was higher than in 2003. Increase above 10% was attained, among others, in production of fibreboards, motor petrol diesel oils, pesticides, tires, crude steel, hot-rolled products, steel tubes, machines and equipment for construction, road and melioration roads, agricultural tractors, refrigerators and freezers, vacuum cleaners, gas cookers with ovens, general purpose passenger cars, lorries and tractor trailers, freight cars.

Production of 61 products and groups of products was lower than in 2003, including, among others, hard coal, wheat and rye flour, tinned meat, and beef and veal variety meats, fitted carpets, footwear (including rubber shoes), heavy furnace oils, batteries and galvanic batteries, power cables, water meters.

Construction

It is estimated that in 2004 the level of construction and assembly production (including construction enterprises employing up to 9 persons) was moderately lower than the one recorded in the previous year – a decrease by less than 1% (against increase by 1.6% in 2003). Production in the public sector fell by more than 2% (against a growth by 4.6% in 2003), and in the private sector – respectively by approx. 1% (against a growth by 1.8% in 2003). The share of the private sector in the total value of construction and assembly production was equal to approx. 98% and close to the one from 2003.



The greatest share in the 2004 structure of construction and assembly production was held by works performed by enterprises owned by Polish natural persons (more than 66%) and performed by private domestic companies (approx. 20%).

In 2004, the decrease of production, in enterprises with the number of employed above 9 persons, in annual terms, was lower than in the period of three quarters of 2004, and amounted to 0.9% (against 5.9% in the preceding year). A decrease of production was caused principally by sale of works with investment works that was lower by 3.5%. As a result the share of these works in the total construction and assembly production fell from 73.6% in 2003 to 71.7%. The level of works with a repair works rose by 6.2%.

The dynamics (in constant prices) and structure (in current prices) of construction and assembly production and the average employment in construction enterprises employing more than 9 persons were as follows:

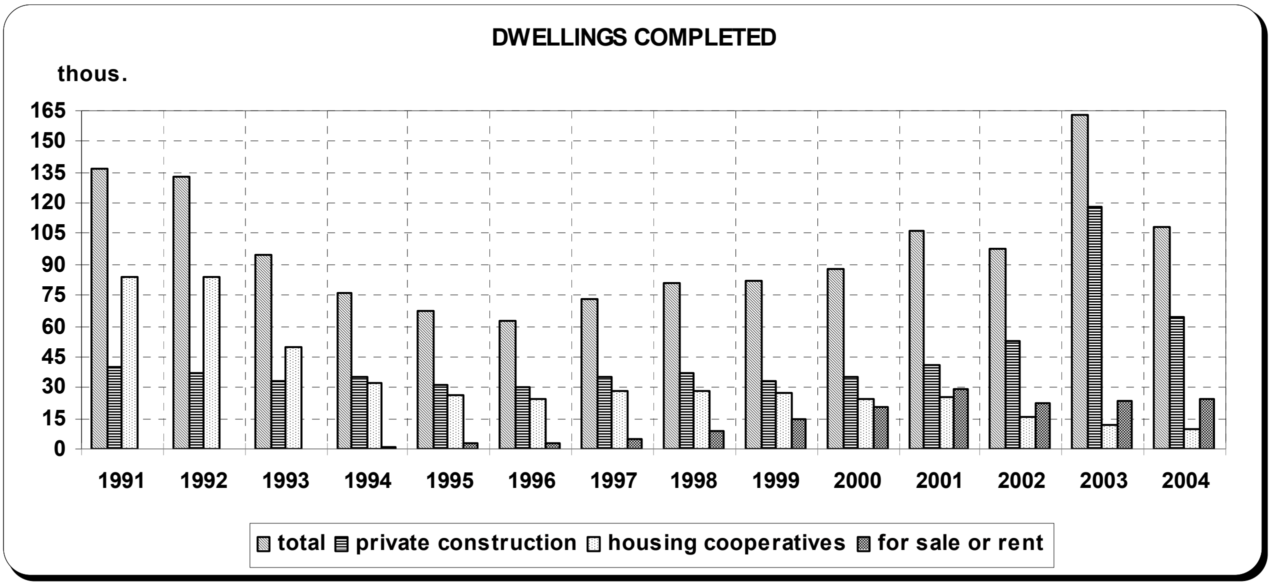
Specification	Construction and assembly production								Average employ-ment	Construc-tion and assembly production	Average employ-ment
	2003				2004						
	I-III	I-VI	I-IX	I-XII	I-III	I-VI	I-IX	I-XII			
	corresponding period of previous year=100									structure in %	
T o t a l	76.9	86.0	91.3	94.1	95.7	96.8	95.9	99.1	89.8	100.0	100.0
of which construction activities:											
investment works	77.1	87.7	93.2	95.6	95.0	95.6	93.8	96.5	x	71.7	x
repair works	76.3	81.6	86.3	90.0	97.5	100.2	101.8	106.2	x	28.3	x
Of which - groups of enterprises:											
site preparation	207.7	217.2	233.9	156.4	79.1	85.6	71.2	114.8	98.6	0.8	1.2
building constructions; civil engineering	76.4	85.2	90.5	94.6	94.1	97.0	96.6	99.5	90.0	84.3	79.8
building installation	77.2	84.8	88.9	86.0	98.9	94.2	90.0	92.6	85.2	12.9	15.8
building completion	69.5	127.0	136.5	136.5	185.8	112.5	123.0	124.3	115.5	1.9	2.4

The share of residential buildings in the structure of construction and assembly production in 2004 fell by 0.6 pt, together with the share of non-residential buildings (by 0.3 pt) for the benefit of civil engineering works (increase of the share by 0.9 pt).

Dwellings Construction

According to preliminary data[4], there were 108117 dwellings completed in 2004, i.e. by 33.5% less than in the preceding years[5] (by 10.8% more as compared to 2002), including particularly in private construction – 64858 dwellings (a decrease by 45.1%). In cooperative construction, the number of completed dwellings equalled 9432 (a decrease by 21.1%), and company – 621 (a decrease by 37.7%). Increase was recorded in public building society – by 22.9% (to 7197 dwellings), for the purpose of sale or rent – by 1.6% (to 24230) and municipal construction – by 11% (to 1779).

The average usable floor space per 1 completed dwelling in 2004 equalled 107.5 m^2 and was by 8.3 m^2 smaller than in 2003.



The number of completed dwellings and their average usable floor space were as follows:

Forms of residential construction	I-XII 2003			I-XII 2004		
	in absolute numbers	structure in %	average size of 1 dwelling in m^2	in absolute numbers	structure in %	average size of 1 dwelling in m^2
T o t a l	162686	100.0	115.8	108117	100.0	107.5
Private	118034	72.6	137.5	64858	60.0	140.5
For sale or rent	23844	14.7	60.6	24230	22.5	62.3
Cooperative	11957	7.3	59.2	9432	8.7	58.3
Public building society	5856	3.6	50.5	7197	6.6	49.7
Municipal	1998	1.2	49.5	179	1.6	46.4
Company	997	0.6	60.3	621	0.6	63.1

The number of started dwellings increased in 2004 (by 18.0%, to 97.2 thous.), together with dwellings that had a construction permit issued (by 16.2%, to 114.9 thous.).

It is estimated that at the end of December 2004, there were 607.0 thous. dwellings under construction, i.e. by 1.8% fewer than in the preceding year.

The Domestic Market

It is estimated that the total volume of retail sale in 2004 was at the level of approx. 3% higher than in the preceding year (in 2003 – an increase by 3.6%).

In 2004, trade and non-trade enterprises (with the number of employees above 9 persons) recorded a growth of retail sale by 7.1% (in constant prices) in relation to the preceding year. Their share in the total value of retail sale was running at a higher level than in 2003 and amounted to approx. 55%. A higher growth of sale than average was reported by enterprises selling food, alcoholic and non-alcoholic beverages and tobacco products (14.2%), solid, liquid and gaseous fuels (13.8%). The share in sales generated by enterprises selling solid, liquid and gaseous fuels in the total volume of retail sale increased by 1.3 pt to 17.9%, and enterprises selling food, alcoholic beverages and tobacco products rose by 0.7 pt to 8.8%. A decrease of sale was observed only by entities from the sector of „furniture, radio, television and household appliances" (by 2.4%). The share of sale conducted by these enterprises in the total retail sales value fell by 0.3 pt to 4.3%.

The dynamics of retail sale (in constant prices) conducted by trade and non-trade enterprises (with the number of employees than 9 persons) was as follows:

Specification	2003					2004				
	I-III	IV-VI	VII-IX	X-XII	I-XII	I-III	IV-VI	VII-IX	X-XII	I-XII
	corresponding period of the previous year=100									
Total [a]	101.2	109.8	106.4	112.4	107.9	113.6	111.3	104.0	101.1	107.1
of which:										
motor vehicles, motorcycles, parts	106.9	114.9	102.1	125.9	114.0	124.6	112.9	101.5	75.7	101.1
solid, liquid and gaseous fuels	106.8	111.8	113.5	116.1	112.7	109.6	112.3	116.7	114.1	113.8
sale in non-specialized stores with food, beverages or tobacco products predominanting	110.3	109.2	104.4	106.0	107.7	107.7	103.7	102.7	102.6	104.1
food, alcoholic and non-alcoholic beverages and tobacco products in specialized retail sale outlets	118.9	121.1	122.0	119.1	118.6	110.2	118.7	109.6	117.2	114.2
furniture, radio, television and household appliances	93.3	108.6	101.1	113.3	106.7	120.7	113.8	62.9	100.5	97.6
others	86.5	99.9	94.2	100.3	95.8	115.8	106.9	98.9	89.4	101.7

[a] Grouping of enterprises was made on the basis of the Polish Classification of Activities (PKD), classifying an enterprise in a specific category by predominanting kind of activity and according to its present organisational state in the mentioned period. The reported changes (increase/decrease) of the retail sale volume in separate groups of the kind of enterprises' activity can therefore be also a result of, among others, change both in the predominanting kind of activity of the enterprises and its organization (e.g. join of enterprises). It has no impact on the dynamics of the total retail sale volume.

In 2004, wholesale (in current prices) of trade companies (with more than 9 persons employed) was by 13.4% higher than in 2003. Sale of wholesale enterprises was respectively by 14.0% higher, while the highest growth was observed by companies dealing with distribution of machinery, equipment and supplies, non-agricultural intermediate products, waste and scrap, as well as tobacco products.

Transport and Communications

It is estimated that the total sale of services[6] in transport enterprises in 2004, expressed in constant prices, rose by more than 1% in relation to 2003, while the value of services, realized by entities of the public sector, declined by approx. 10%, and the value of services realized by private entities rose by approx. 8%. Sale of services in enterprises with a number of employees higher than 9 persons increased by 3.5%. The highest growth in sale of services took place in the first quarter (by 9.9%), while the growth rate was declining to the values of 7.7% and 4.0% in the second and third quarter, respectively, while a decrease of sale was reported in the fourth quarter by 5.8%. Among the types of groups with a high share in the total sale of transport services, sales results increased considerably in road transport by 9.6%, in operations of transport agencies by 23.9%, and air transport by 21.1%, while a decrease of 11.5% was observed in the railway transport. Sale of transport services in December last year was by 2.2% higher than in 2003.

In 2004, the rolling fleet of transport units of the public and private sector (employing more than 9 persons) transported 318.3 mn tons of goods, i.e. by 0.9% more than in the preceding year. The increase took place in all types of transport, with the exception of maritime transport. Observing transports in the consecutive quarters, insignificant decrease by 0.1% was reported in the first quarter, followed by increases of transports by 2.3% in the second quarter, by 0.3% in the third quarter, and by 1.1% in the fourth quarter.

In the group with the largest share in total transports, i.e. railway transport transported 163.4 mn tons of goods, i.e. by 1.0% more than in 2003. An increase in transport observed in the second and third quarter (respectively by 5.7% and 1.6%), and a decrease in the first and fourth quarter (respectively by 2.1% and 1.4%). Results of domestic transport were higher by approx. 5%, and transportation of imported goods increased (by approx. 10%) in international transport, which accounts for approx. 44% of all railway transport (approx. 46% in the previous year) - transportation of imported goods increased (by approx. 10%), while those of exported and transit goods declined (by approx. 11% and 26%, respectively). Considering transports according to groups of goods, a growth was observed, among others, in transport of ores, metals and metal products and goods classified in the group of „other goods", and a decline was visible, among others, in transport of hard coal, crude petroleum and petroleum products and certain crops.

In commercial road transport, 74.6 mn tons of goods were transported in 2004, i.e. by 2.3% more than in 2003. The results of transports increased in the first and the second quarter last year respectively by 7.6% and 4.4%, and decreased by 2.7% in the third quarter, while as compared to the preceding year they rose by 1.5% in the fourth quarter.

In 2004, pipeline transport pumped 53.9 mn tons of oil and petroleum products, i.e. by 4.1% more than in 2003.

In 2004, transports by inland waterways amounted to 5.8 mn tons of goods, i.e. 14.1% more than in 2003.

In 2004, transports by maritime transport amounted to 20.6 mn tons of goods and were by 13.3% fewer than in 2003. A decrease by approx. 19% occurred in tramping, with a growth of transports in liner trade by approx. 15%. Polish foreign trade cargo transports declined considerably by approx. 64%, and transports between foreign ports increased by approx. 13%.

In 2004, there were 57.0 mn tons of goods loaded and unloaded in commercial seaports, i.e. by 9.8% more than in 2003. The highest increase was observed in loaded and unloaded ore (by 27.9%) as well as oil and petroleum products (by 22.9%). A decrease took place only in loaded and unloaded coal and coke (by 2.3%).

In 2004 means of public communication (employing more than 9 persons) transported 1076.3 mn passengers, i.e. by 3.1% fewer than in the previous year. All types of public transportation recorded a decline, with the exception of air transport (increase by 21.2% to 4.8 mn persons). Railway transport carried 269.9 mn passengers (by 4.7% fewer than in the preceding year), road transport – 800.8 mn (a decrease by 2.7%), maritime transport – 0.6 mn (a decrease by 14.9%), inland waterway transport – 0.2 mn (a decrease by 2.4%).

It is estimated that total sales of services of communications in 2004 (including encompassing sales from postal, courier and telecommunications services) in constant prices rose by approx. 10% in relation to 2003, of which the value of services realized by entities of the public sector increased by approx. 8%, and private by approx. 10%.

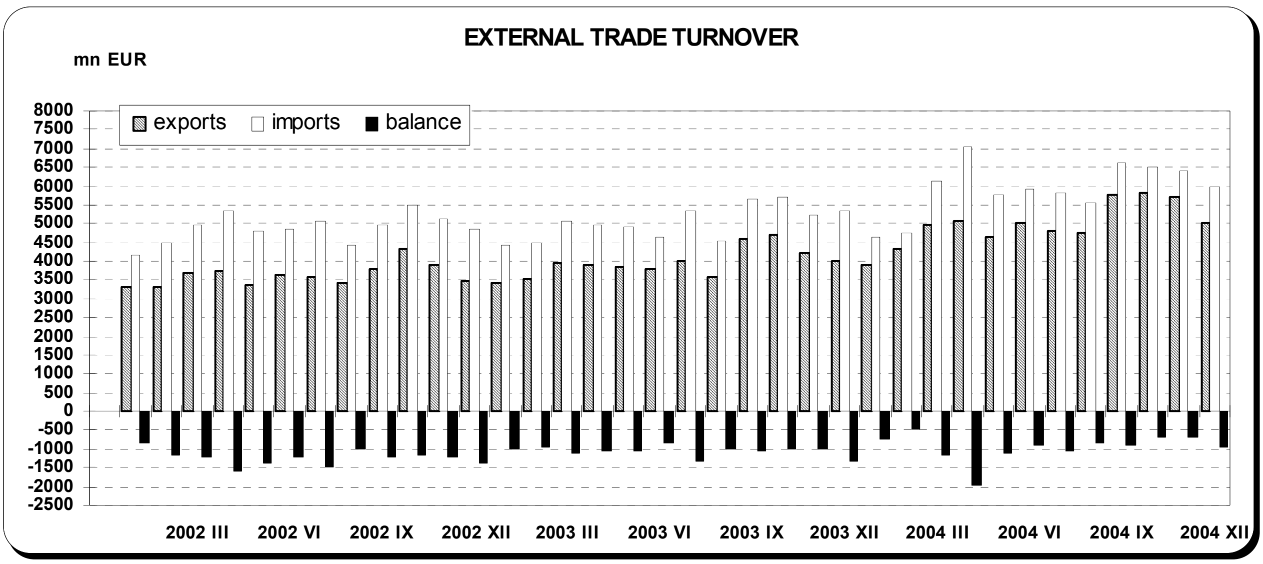
In enterprises with a greater number of employees than 9 persons, sale of services was by 10.2% higher than in 2003, thanks to a high dynamics of sale of telecommunications services, chiefly mobile telephony. A systematic growth of sale of services as compared to the previous year was observed in the consecutive quarters of 2004, and reached respectively 7.7%, 9.4%, 10.2% and 13.3%.

In cellular telephony, the number of subscribers and users (pre-paid services) amounted to 23.1 mn at the end of 2004, and was by 32.7% higher than in 2003. There were 60.5 subscribers per 100 citizens (45.5 in 2003).

At the end of 2004, the number of main lines[7] in the public network of fixed line telephony equalled 12.6 mn (by 2.8% more than in the preceding year), while the number in urban areas was 9.7 mn (by 4.0% more), and in rural areas – 2.9 mn (by 1.0% fewer). At the end of 2004, the number of links in accessible ISDN[8] amounted to nearly 1.5 mn (89% of these links was installed in urban areas) and was by 17.4% greater than in the previous year. The subscribers' congestion rate, measured by the number of main lines per 100 inhabitants, was equal to 33.1 at the end of December 2004 (32.0 in 2003).

Foreign Trade

According to provisional data, dynamics of foreign trade turnover in 2004 were higher than in 2003. Increase of exports was higher than imports. The highest increase of exports was recorded in trade with Central and Eastern European countries and developing countries, and imports – with developing countries. The negative balance of trade denominated in EUR, PLN and USD was lower than in 2003, as the effect of the improved balance with the European Union countries and Central and Eastern European countries. Negative balances with all the groups of countries were maintained, while the highest deficit was observed in exchange with the developing countries.



Exports in current prices, calculated in PLN, were by 30.2% higher than in 2003, and totalled PLN 272105.9 mn, and imports increased by 22.5% to PLN 324663.1 mn. Turnover in trade closed with a negative balance in the amount of PLN 52557.2 mn (minus PLN 56189.2 mn in the preceding year). The euro-denominated foreign trade rose at the exports side by 25.6% to EUR 59698.4 mn, and at the import side by 17.9% to EUR 71144.0 mn. The negative balance equalled EUR 11445.6 mn (minus EUR 12827.4 mn in 2003). Exports in US dollars totalled 73791.5 mn and were by 37.7% higher, while imports – USD 87908.7 mn, i.e. by 29.3% higher. The negative balance was running at the level of USD 14117.2 mn (minus USD 14427.0 mn in the preceding year).

Foreign trade turnover was as follows:

Specification	I–XII 2004						2003	2004
	PLN mn	EUR mn	USD mn	I-XII 2003 =100			I-XII	
				PLN	EUR	USD	structure in %	
Exports	**272105.9**	**59698.4**	**73791.5**	**130.2**	**125.6**	**137.7**	**100.0**	**100.0**
Developed countries	231756.3	50794.6	62774.6	127.7	123.1	135.0	86.8	85.2
of which the European Union	215142.8	47128.8	58235.0	127.4	122.7	134.5	80.8	79.1
Developing countries	16650.7	3675.3	4551.7	146.3	141.6	155.7	5.5	6.1
Central and Eastern European countries	23698.9	5228.5	6465.2	146.9	142.8	156.2	7.7	8.7
Imports	**324663.1**	**71144.0**	**87908.7**	**122.5**	**117.9**	**129.3**	**100.0**	**100.0**
Developed countries	246051.0	53876.2	66549.2	120.0	115.5	126.6	77.3	75.8
of which the European Union	220527.2	48276.3	59617.5	120.3	115.7	126.8	69.2	67.9
Developing countries	46462.0	10198.9	12609.4	136.0	131.2	143.9	12.9	14.3
Central and Eastern European countries	32150.1	7068.9	8750.1	124.0	119.3	131.4	9.8	9.9
Balance	**-52557.2**	**-11445.6**	**-14117.2**	**x**	**x**	**x**	**x**	**x**
Developed countries	-14294.7	-3081.6	-3774.6	x	x	x	x	x
of which the European Union	-5384.4	-1147.5	-1382.5	x	x	x	x	x
Developing countries	-29811.3	-6523.6	-8057.7	x	x	x	x	x
Central and Eastern European countries	-8451.2	-1840.4	-2284.9	x	x	x	x	x

In the geographical structure of trade turnover in 2004 in comparison to 2003, the share of the Central and Eastern European countries and the developing countries increased, and the share of the developed countries, including the European Union, decreased. A higher share of the developing countries was recorded in import, with lower share of the developed countries, including the European Union. The trade in commodities focused on exchange with the developed countries, which had the total share in exports at 85.2% (including the EU – 79.1%), and in imports – 75.8% (including the EU – 67.9%). Turnover with the countries of the European Union increased in exports by 27.4% to PLN 215142.8 mn, and in imports – by 20.3% to PLN 220527.2 mn. The negative balance equalled PLN 5384.4 mn, against minus PLN 14545.3 mn in 2003. However, the export turnovers calculated in EUR were running at the level of EUR 47128.8 mn, and import at EUR 48276.3 mn. The negative balance equalled EUR 1147.5 mn, against minus EUR 3317.8 mn in the preceding year.

Turnovers with the top ten trade partners of Poland constituted 69.5% of total exports (in 2003 – 70.2%) and 66.4% of total imports (respectively 67.7%). The share of Germany in exports equalled 30.0%, and in imports – 24.2% and it was lower than in the preceding year.

Current Account of the Balance of Payments on the Basis of Transactions

Balance of payments on the basis of transactions[9] presents data concerning financial and non-financial transactions, concluded between Polish and foreign entities during one year.

In December 2004, the current account of the balance of payments[10] closed with a negative balance in the amount of minus EUR 163 mn (minus EUR 738 mn in the preceding year). The balance of services improved (by EUR 276 mn) and current transfers (by EUR 134 mn). The negative balance of incomes decreased (by EUR 43 mn) and trade in commodities (by EUR 122 mn).

In December 2004, the balance of services was equal EUR 236 mn (minus EUR 40 mn in the preceding year). Revenues from services were running at the level of EUR 1140 mn (higher by 29.5%), while expenditures by way of services decreased by 1.7% to EUR 904 mn.

The balance of current transfers amounted to EUR 484 mn (EUR 350 mn in the preceding year). Revenues by way of current transfers went up by more than 1.5-times (to EUR 737 mn), and expenditures – by almost 3-times (to EUR 253 mn).

Incomes from revenues went down by 6,1% (to EUR 168 mn), and expenditures – by 8.9% (to EUR 604 mn), as a result of which the negative balance of revenues improved slightly – by EUR 43 mn (to minus EUR 382 mn).

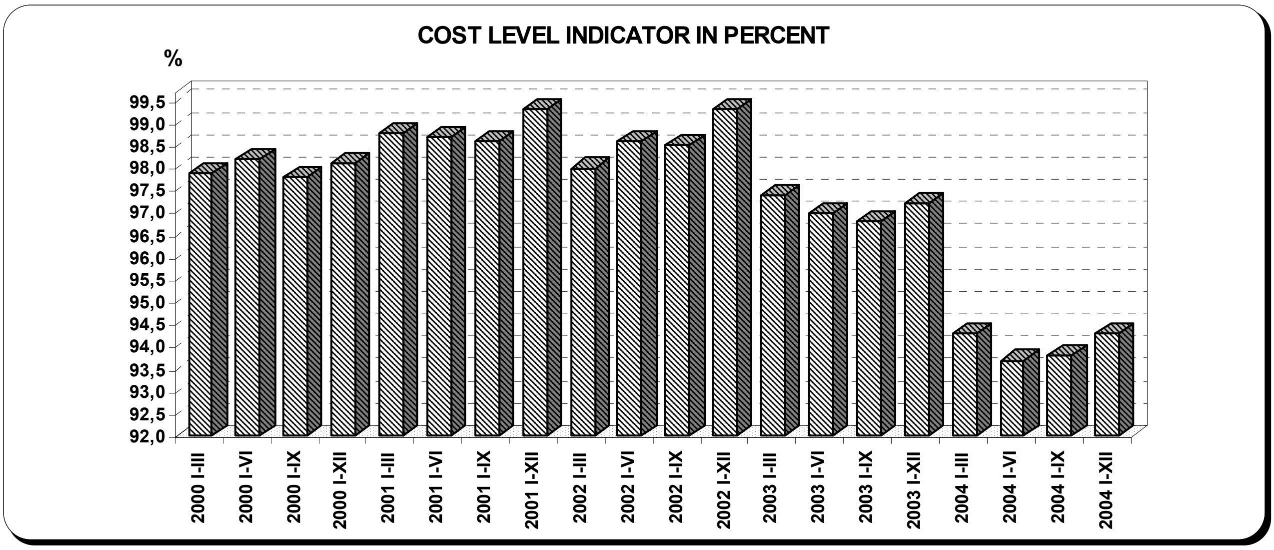
Export of goods increased by 20.5% (to EUR 5505 mn), and import by 15.7% amounting to EUR 6006 mn. The balance of trade in commodities improved from minus EUR 623 mn to minus EUR 501 mn.

Financial Results of Non-financial Enterprises

In 2004, the enterprises surveyed[11] achieved much better financial results and main economic and financial indicators than the low ones in 2003. The improved financial results were observed in all sections. It was mainly influenced by a higher increase of incomes from sale of products, goods and materials than the costs of this activity (16.4%, against 14.5%), a considerably less negative result on financial operations (among other things, as a result of a change in currency exchange rates), and also a relative decrease of encumbrances of the gross result

Incomes, costs and financial results of entities encompassed by the survey looked in the following way:

Specification	I-XII 2003	I-XII 2004
	PLN mn	
Revenues from total activity	1080601.7	1258714.8
Costs from obtaining revenues from total activity	1050716.7	1186540.1
Result on economic activity	29885.0	72174.7
result on sold products, goods and materials	45690.2	71306.5
result on other operational activity	1718.5	1058.8
result on financial operations	-17523.7	-190.6
Result on extraordinary events	291.0	3237.7
Gross financial result	30176.0	75412.4
Net financial result	17987.4	60700.9



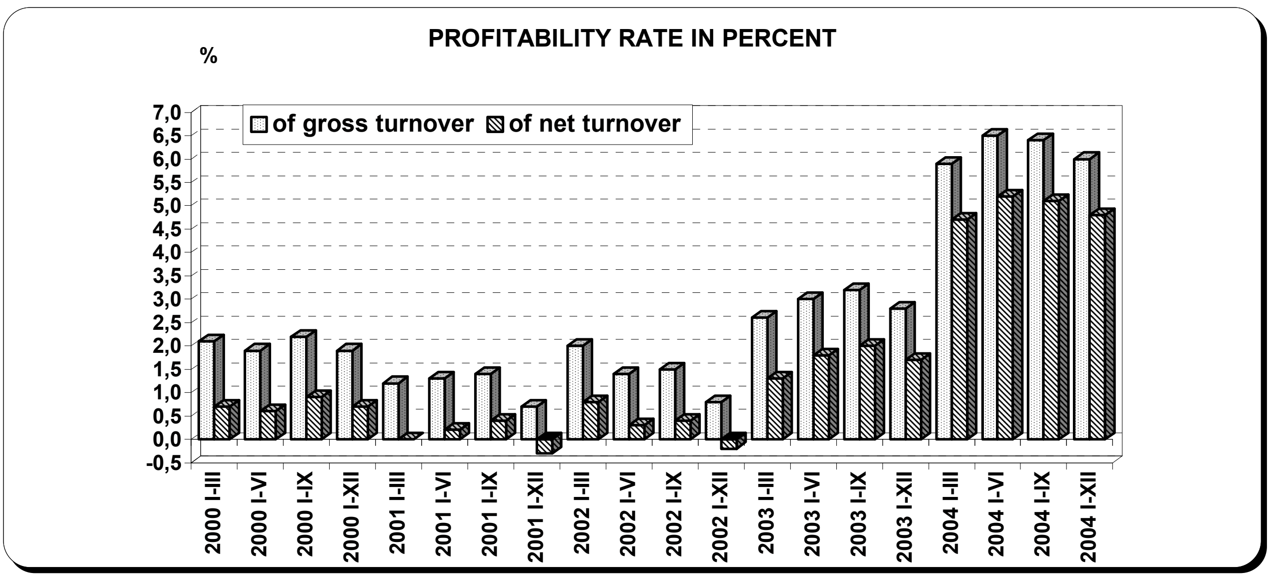
In 2004, increase of revenues from total activity was 16.5%, and costs of obtaining them – 12.9%, which was reflected in improved cost level indicator from 97.2% in 2003 to 94.3% (the improvement was related to all the sections, except of real estate, renting and business activity, which had good results already in 2003). Net sales revenues of products, goods and materials increased in all the sections, and their share in the total revenues decreased slightly from 95.5% in 2003 to 95.4% in 2004. The financial result from sale of products, goods and materials rose by PLN 24616.3 mn (i.e. 56.1%) and its improvement was visible in all the sections, including particularly manufacturing (from PLN 24444.1 mn to PLN 39822.5 mn), mining and quarrying (from PLN 800.6 mn to PLN 4976.0 mn) and trade and repairs (from PLN 4142.7 mn to PLN 7857.2 mn). The result on other operating activity worsened somewhat (by PLN 659.7 mn), while the loss on financial operations decreased considerably (by PLN 17333.1 mn). In the consequence, the result on economic activity was by PLN 42289.7 mn (almost 2.5-times) higher than in the preceding year, while its improvement was recorded in all sections (except of real estate, renting and business activities), while in manufacturing it increased by more than 2.5 times.

The gross financial result amounted to PLN 75412.4 mn (gross profit – PLN 83740.5 mn, gross loss – PLN 8328.1 mn) and it was by PLN 45236.4 mn (2.5-times) higher than in 2003. Encumbrances of the gross financial result equalled PLN 14711.6 mn (more than in the preceding year by PLN 2523.1 mn). The relation of income tax on legal and natural persons in the gross profit decreased from 22.8% to 15.9%. The net financial result was running at the level of PLN 60700.9 mn (net profit – PLN 69102.6 mn, net loss – PLN 8401.8 mn), and in 2004 its growth amounted to PLN 42713.5 mn (237.5%). Improvement of the gross and net financial results was noted in all sections, while the net financial result increased most in manufacturing (from PLN 10423.9 mn to PLN 33239.6 mn). Its considerable improvement was also observed in transport, storage and communication, and trade and repair. Net profit was demonstrated by 77.4% of the surveyed enterprises (against 70.6% in 2003), and their share in the total revenues increased from 79.5% to 87.8%. Net profits in manufacturing were demonstrated by 79.6% enterprises, whose share in the revenues of this section amounted to 88.7%.

The main economic and financial indices of the entities encompassed by the survey were as follows:

Specification	2003				2004			
	I-III	I-VI	I-IX	I-XII	I-III	I-VI	I-IX	I-XII
	w %							
Cost level indicator	97.4	97.0	96.8	97.2	94.3	93.7	93.8	94.3
Profitability rate on sales of products, goods and materials	4.3	4.3	4.5	4.4	6.1	6.4	6.4	5.9
Profitability rate of gross turnover	2.6	3.0	3.2	2.8	5.9	6.5	6.4	6.0
Profitability rate of net turnover	1.3	1.8	2.0	1.7	4.7	5.2	5.1	4.8
First degree financial liquidity indicator	18.6	19.9	21.7	23.6	24.6	26.8	28.7	30.3

Profitability rate on sales of products, goods and materials increased from 4.4% to 5.9%, while the profitability rate of gross turnover rose from 2.8% to 6.0%, and net turnover from 1.7% to 4.8%. In comparison to 2003, the share of profitable units (showing net turnover rate equal to and higher than 0.0) in the total number of surveyed entities rose from 72.6% to 79.5% alike their share in incomes from total activity that went up from 80.3% to 88.5%. Improvement of the net turnover profitability was recorded in all sections, except of real estate, renting and business activities.



In 2004, also first and second degree liquidity indicators improved considerably, increasing respectively from 23.6% to 30.3% and from 83.3% to 94.4%. First degree liquidity indicators above 20% were achieved by 39.9% of the surveyed enterprises (against 37.4% in 2003), and the second degree liquidity indicator in between 100% and 130% by 12.6% enterprises (against respectively 12.2%).

The relation of liabilities to dues (from deliveries and services) stood at a lower level than in 2003 (98.3% against 102.7%). A higher value of liabilities than the value of dues from deliveries and services was recorded in 2004 in trade and repair and in hotels and restaurants.

The level and structure by types of costs was as follows:

Specification	2003				2004			
	in PLN bn	structure in %			in PLN bn	structure in %		
		total	public sector	private sector		total	public sector	private sector
Total costs	672.1	100.0	100.0	100.0	774.2	100.0	100.0	100.0
depreciation	46.1	6.8	9.0	6.1	48.6	6.3	8.6	5.6
consumption of materials and energy	278.1	41.4	32.3	44.5	351.2	45.4	35.0	48.3
of which energy	25.4	3.8	5.2	3.3	24.8	3.2	4.6	2.8
external services	146.7	21.8	23.2	21.3	160.8	20.8	20.5	20.8
taxes and fees	46.2	6.9	8.0	6.5	50.0	6.5	8.3	5.9
gross wages and salaries	104.9	15.6	19.4	14.3	109.9	14.2	19.2	12.8
social security benefits and other benefits	25.4	3.8	5.2	3.3	26.6	3.4	5.3	2.9
of which social security contributions	18.3	2.7	3.6	2.4	19.2	2.5	3.6	2.2
other costs	24.7	3.7	2.8	4.0	27.1	3.5	3.0	3.7

In 2004, the costs of current activity paid by all the surveyed entities were by 15.2% higher than in 2003. In the structure according to types of total costs, only the cost of material consumption went up (from 37.6% in the preceding year to 42.2%), while the cost of gross wages and salaries went down (from 15.6% to 14.2%), alike costs of external services (from 21.8% to 20.8%), depreciation (from 6.9% to 6.3%), energy consumption (from 3.8% to 3.2%), taxes and fees (from 6.9% to 6.5%), social security benefits and other benefits (from 3.8% to 3.4%) and other costs (from 3.7% to 3.5%).

In 2004, out of the group of enterprises encompassed by the survey, 47.8% units demonstrated export sales, against 45.7% in the preceding year. The level of export sales was by 26.8% higher than in 2003, and its share in net incomes of the total number of entities from sales of products, goods and materials increased from 17.0% to 18.6% (including the increase of manufacturing from 31.8% to 34.0% respectively). Export sales constituted more than 50% of turnover in 26.2% enterprises (including 15.7% of these entities, where it surpassed 75%), and in 15.7% of entities export sales was in between 25.1% and 50% of turnover, while in 14.9% it was in between 10.1% and 25%. In case of the remaining 43.2% enterprises, the share of export in the turnover was insignificant, that is below 10%.

In the group of exporting entities, the share of entities demonstrating net profits (82,1%, against 73.7% in 2003, including manufacturing – 81,9%, against 72.%) was higher than the average for the total number of the surveyed enterprises. The main economic and financial relations achieved by exporters, except of first and second degree financial liquidity indices, were more favourable than for the total number of the surveyed enterprises.

In the end of December 2004, the value of the current assets of the surveyed enterprises was equal to PLN 359521.7 mn, and by 13.2% higher than in the preceding year, with inventories higher by 18.1%, short-term dues by 5.0%, and short-term investments by 27.8%. In the material structure of the current assets the share of stock rose (from 25.8% to 26.9%) like the short-term investments (from 20.0% to 22.6%), while the share of short-term dues fell from 51.5% to 47.8% (including dues from deliveries and services that went down from 42.9% to 40.4%) and dues from taxes, subsidies, duties, social security and other benefits, which decreased from 4.4% to 3.6%). A slight decline in the structure of stock was visible in case of materials (from 33.2% to 32.9%), goods (from 33.9% to 33.8%), semi-finished products and products in progress (from 12.8% to 12.7%), and increase was recorded in the case of other stock (from 1.4% to 1.8%). The share of finished products did not change substantially, and it was running at the level of 18.7%, like in 2003.

Improvement in the operational efficiency of enterprises was seen in comparison to 2003. The rate of the cycle of dues from deliveries and services picked up. The period of payment of liabilities from deliveries and services was shortened. The indicator of the stock cycle did not change significantly and was equal to 29 days.

In 2004, current assets were still financed mainly from short-term liabilities, the share of which in the financial coverage of current assets constituted 74.6%, against 84.9% in 2003.

In the end of December 2004, the long-term and short-term liabilities (except of special funds) amounted to PLN 399745.7 mn and were by 4.5% lower than in the preceding year. Long-term liabilities constituted 32.9% of the total liabilities (against 35.6% in 2003).

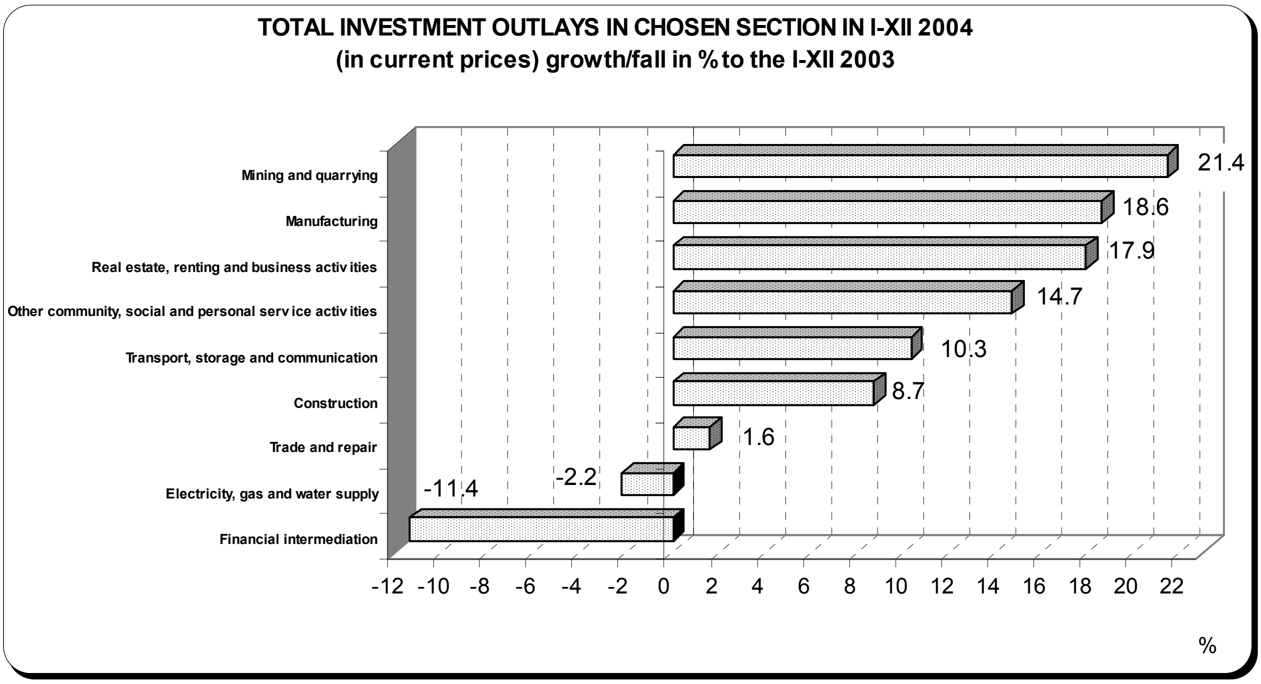
In the end of December, the value of short-term liabilities of the surveyed enterprises amounted to PLN 268130.0 mn and it was by 0.5% lower than in the preceding year. Lowering of the value of liabilities was recorded in liabilities from credits and loans - by 6.7%, taxes, customs duties, social security and other benefits – by 6.1% and issue of debt securities - by 24.2%. Increase was observed in case of liabilities from deliveries and services - by 2.1% and other liabilities – by 4.8%.

In the end of December 2004, long-term liabilities of the surveyed enterprises amounted to PLN 131615.7 mn and were by 11.8% lower than in the preceding year. Liabilities from credits and loans were recorded to decrease by 10.6%, while liabilities from issue of debt securities plummeted by 40.2% and other liabilities fell by 10.0%.

Total Outlays

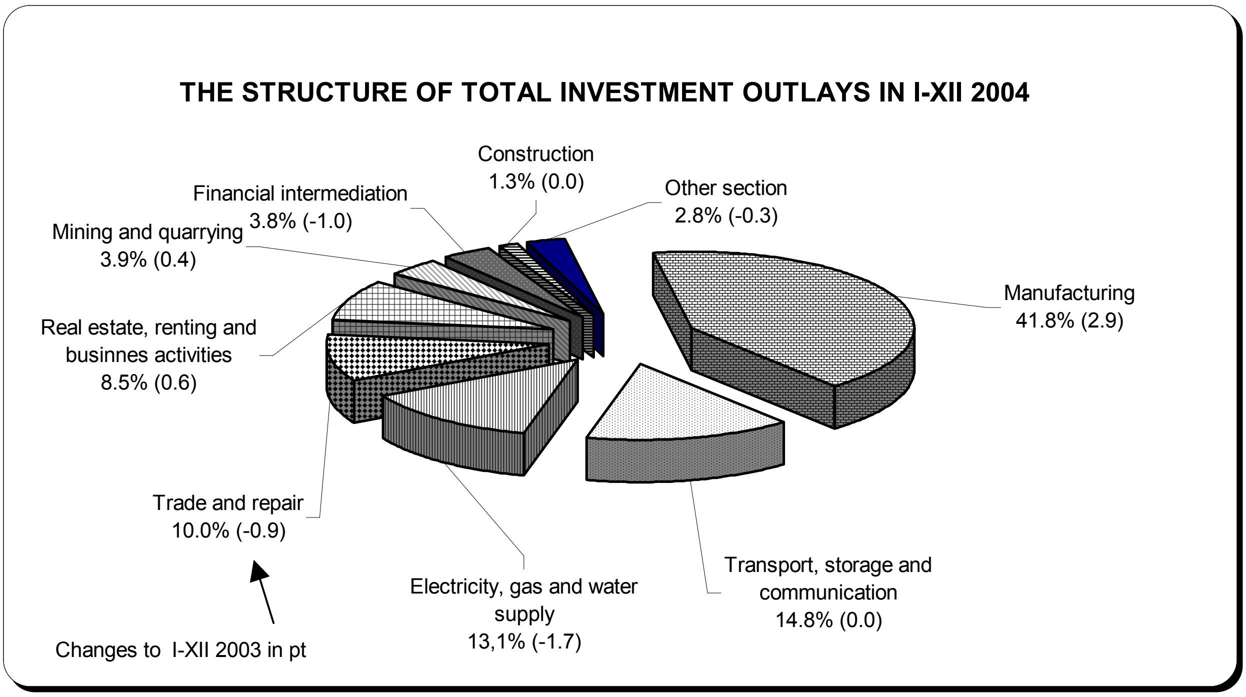
In 2004, the total outlays of enterprises[12] amounted PLN 62.8 bn and were (in constant prices) by 9.2% higher than in 2003 (against a decrease by 0.7% in 2003). Outlays on buildings and structures increased by 10.5%, and purchases[13] – by 8.4%. The share of purchases in the total outlays amounted to approx. 63%, similarly to 2003.

In 2004, the increase of total outlays in the current prices reached 10.4%, caused mainly by investment activity of manufacturing enterprises, where after a decline that started in the second half of 1999, outlays increased by approx. 19% in 2004 on the annual terms. The growth of outlays in this section was mostly contributed by their increase in units manufacturing: food and beverage, products of other non-metallic mineral products, chemical products, rubber and plastic products, and machinery and equipment After a growth observed in 2003, a decline was observed in outlays on manufacture of motor vehicles, trailers and semi-trailers, and radio, television and communication equipment.



In relation to 2003, a substantial growth of outlays was observed (in current prices) in entities classified as mining and quarrying (by approx. 21%), real estate, renting and business activities (by approx. 18%) and transport, storage and communication (by approx.10%).

In the structure of total outlays, the share of outlays made by enterprises of manufacturing increased from 38.9% to 41.8%, real estate, renting and business activities rose from 7.9% to 8.5%, and mining and quarrying from 3.5% to 3.9%, while a decrease was observed in enterprises that supply electricity, gas and water (from 14.8% to 13.1%), financial intermediation (from 4.8% to 3.8%) and trade and repairs (from 10.9% to 10.0%). The share of enterprises of transport, storage and communication and construction remained at the same level as in 2003 (14.8% and 1.3% respectively).



Considering the division of enterprises into classes of volume, enterprises with the number of employees from 50 to 249 increased their outlays the most (by approx. 16%). In the units with the number of employees from 250 to 999 persons the growth of outlays equalled approx. 15%, while in the entities with the number of 1000 and more employees – approx. 7%.

In 2004, the investment structure, according to the selected sections and size of enterprises was as follows:

Specification	Enterprises with the number of employees					
	50-249 persons		250-1000 persons		above 1000 persons	
	number of investing units	total outlays	number of investing units	total outlays	number of investing units	total outlays
	in total % in a given section					
T o t a l	81.3	26.4	15.9	30.2	2.8	43.4
Mining and quarrying	73.2	5.2	14.3	2.8	12.5	92.0
Manufacturing	78.4	26.0	18.8	38.9	2.8	35.1
Electricity, gas and water supply	74.3	16.0	16.9	22.2	8.8	61.8
Construction	88.4	60.3	10.6	24.6	1.0	15.1
Trade and repair	88.5	39.3	10.0	27.8	1.5	32.9
Transport, storage and communication	71.7	16.2	23.9	13.3	4.4	70.5
Financial intermediation	79.9	38.0	14.6	17.9	5.5	44.1

The share of outlays made by units of the private sector increased in the total outlays of the surveyed enterprises from 74.0% in 2003, to 75.4%. Out of the outlays made by the units of the private sector approx. 52.4% was attributed to manufacturing entities (against 50% in the preceding year), including 22.7% to manufacture of food products and beverages, 12.4% to manufacture of motor vehicles, trailers and semi-trailers, 9.2% to manufacture of chemical products, 8.3% to manufacture of other non-metallic mineral products, 7.7% to manufacture of rubber and plastic products, 5,0% to manufacture of furniture, and 4.7% to manufacture of coke and refined petroleum products. Enterprises of trade and repairs covered 13.3% of outlays (against 14.4% in 2003). Like in 2003, purchases accounted for approx. 68% of outlays realized by units of the private sector.

The highest share of the private sector in the total outlays was noted in trade and repair – 97.9%, in manufacturing – 94.6% and construction – 94.1%.

The highest share of the public sector in the total outlays was noted in electricity, gas and water supply - 84.8%, in mining and quarrying - 70.9%.

In 2004, there were 95.9 thous. investments started, i.e. by approx. 37% more than in the previous year. Power and gas terminals with a small single cost estimate value accounted for approx. 53% of the started investments. The total cost estimate value of the started investments totalled PLN 26.8 bn and was by 1.9% higher than in 2003. Modernization of the existing fixed assets accounted for 31.9% of the cost estimate value of the started investments (against 28.8% in the preceding year).

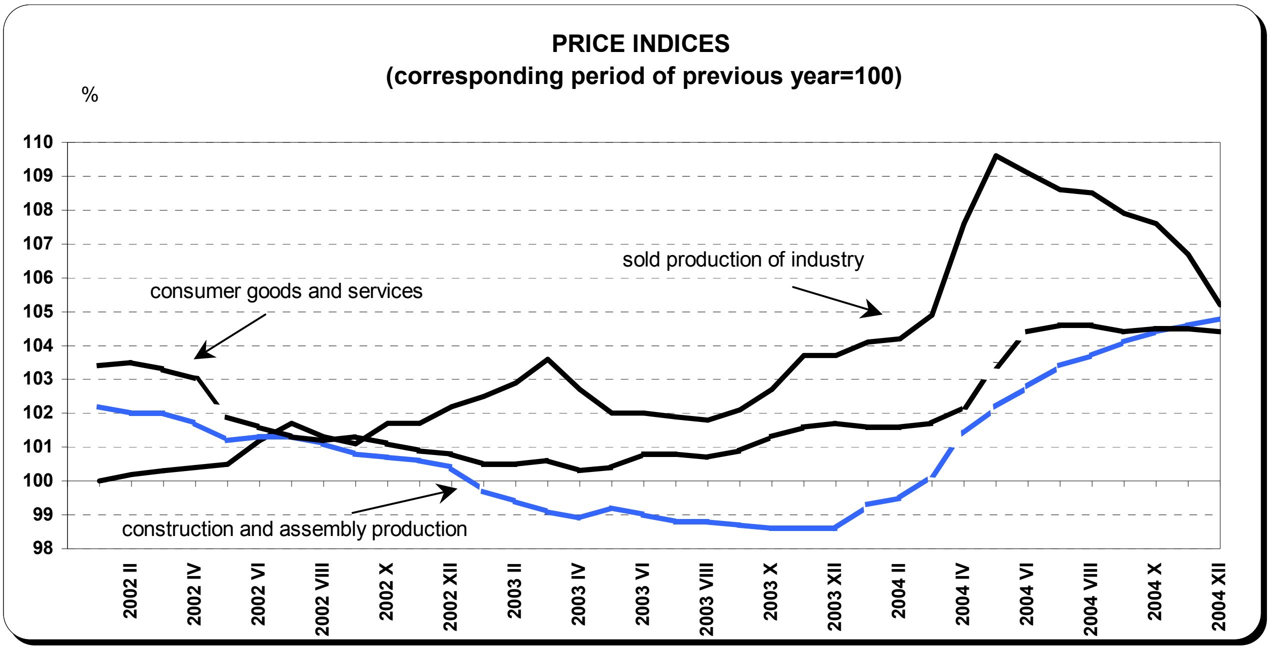
Out of the total value of outlays realized in 2004, approx. 41% (against approx. 43% in 2003) were covered by entities with foreign capital (with foreign capital above USD 1 mn). The total outlays of these entities were higher by approx. 4% (in constant prices) than in 2003. Manufacturing accounted for approx. 52% of outlays of this group of entities, including manufacturing motor vehicles, trailers and semi-trailers – approx. 20%, food products and beverages – approx. 17%, rubber and plastic products – approx. 8%, coke and refined petroleum products, manufacture of other non-metallic mineral products – approx. 7% each. Units of the section of transport, storage and communication accounted for approx. 19%, and trade and repairs – approx. 12% of the total outlays realized by the group of entities with foreign capital. A considerable growth of outlays (in constant prices) among the entities with foreign capital, was reported in manufacture of chemical products (by approx. 62%), food products and beverages (by approx. 38%) and manufacture of rubber and plastic products (by approx. 37%), while a decline – in manufacture of radio, television and communication equipment and apparatus (by approx. 40%), motor vehicles, trailers and semi-trailers (by approx. 22%) and wood and wood products (by approx. 19%).

Prices

The average growth rate of prices of consumer goods and services recorded in 2004 was much bigger than observed in 2003, as well as than assumed in the budget act. The increase in prices of sold production in industry was much higher than in the preceding year. In 2004 prices of construction and assembly production went up, while their decrease had been observed in 2003. In January-December 2004, the average monthly growth rate of consumer prices was higher than in the preceding year (0.4%, as compared with 0.1%), mainly as a result of their significant increase in the second quarter. Producer prices in industry were rising faster than in 2003, but their growth rate was seen to decelerate beginning from the third quarter of the previous year. An increase of prices in the construction was observed in 2004, following their decline in the preceding year, with the highest increase taking place in the second quarter.

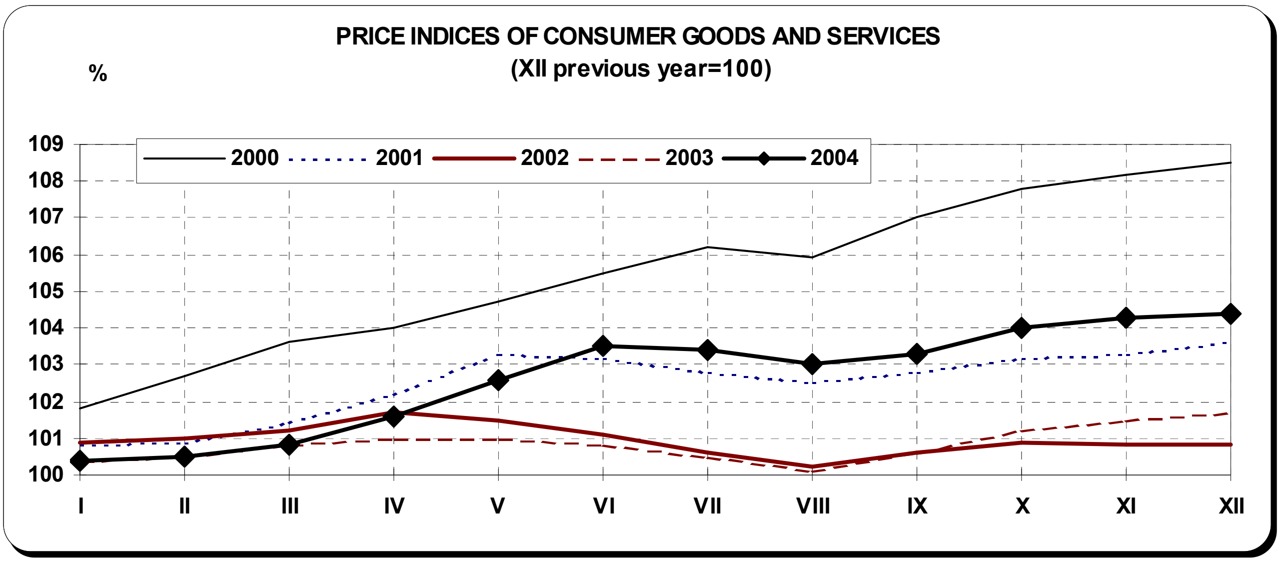
The average monthly growth rate of prices in the basic areas of the national economy was as follows:

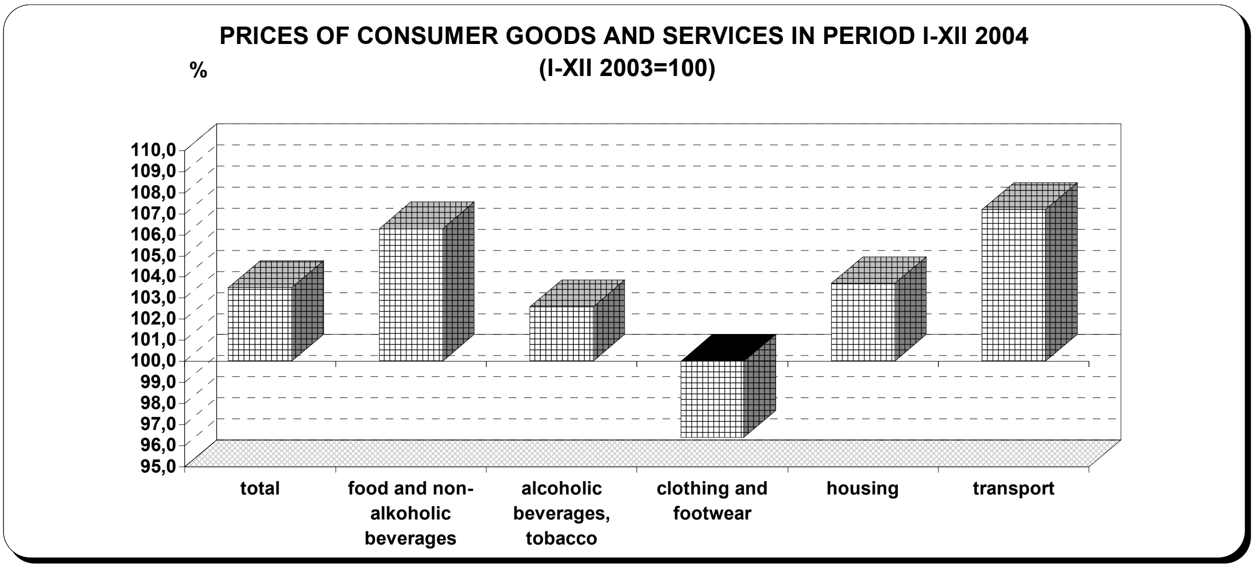
Specification	2003					2004				
	growth rate of prices (in %) – quarters									
	I	II	III	IV	I-IV	I	II	III	IV	I-IV
Prices of sold production of industry	0.6	-0.3	0.5	0.4	0.3	1.0	1.1	0.1	-0.4	0.4
mining and quarrying	-0.1	-1.5	2.5	1.5	0.6	4.1	0.7	1.1	-1.0	1.2
manufacturing	0.8	-0.3	0.4	0.3	0.3	1.0	1.2	0.1	-0.5	0.4
electricity, gas and water supply	0.1	0.1	0.6	0.2	0.3	0.1	0.1	0.0	0.0	0.1
Prices of construction and assembly production	-0.2	0.0	-0.1	-0.2	-0.1	0.3	0.8	0.3	0.1	0.4
Prices of consumer goods and services	0.3	0.0	-0.1	0.4	0.1	0.3	0.9	-0.1	0.3	0.4
Food and non-alcoholic beverages	0.2	0.3	-0.8	0.9	0.2	0.5	1.8	-0.7	0.8	0.6
alcoholic beverages and tobacco	0.0	0.2	0.4	0.1	0.2	0.1	0.4	0.3	0.0	0.2
clothing and footwear	-0.7	0.0	-0.4	0.1	-0.3	-0.9	0.1	-0.5	0.1	-0.3
housing	0.3	0.0	0.3	0.2	0.2	0.2	0.7	0.2	0.2	0.3
health	0.2	0.1	0.1	0.3	0.2	0.2	0.2	0.1	0.0	0.1
transport	1.5	-1.2	0.6	0.1	0.2	1.2	1.3	0.4	0.2	0.8
communication	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
recreation and culture	0.5	0.0	0.1	-0.1	0.1	0.0	0.4	0.0	-0.1	0.1
education	0.1	0.0	0.1	0.5	0.2	0.1	0.1	0.1	1.1	0.3



The increase in prices of sold production of industry in 2004 was much higher than in the preceding year (7.0% as compared with 2.6%). Prices increased the most in mining and quarrying (by 23.7%, against 3.0% in 2003), of which particularly – in mining of metal ores (by 40.9%). The price increase in manufacturing amounted to 6.7% (as compared with 2.4% in the preceding year). A significant increase was observed in prices of manufacture of coke, refined petroleum products (by 37.4%) and basic metals (by 27.8%). Price increases were also recorded for, among others, manufacture of food and non-alcoholic beverages (by 7.2%), chemicals and chemical products (by 4.8%) and metal products (by 4.3%). Prices in the electricity gas and water supply section rose less than a year before (1.9% as compared with 4.6%).

Prices of construction and assembly production increased by 2.5% in 2004 (in 2003 a 1.1% decline was recorded). Prices of renting of construction or demolition equipment with operator rose by 4.0%, building completion – by 3.2%, building installation – by 3.0% and prices of site preparation and building of constructions; civil engineering – by 2.0% each.





In the 2004, prices of consumer goods and services were rising much faster than in 2003 (3.5% against 0.8%) and 1.5 pts faster than assumed in the Budget Law. Prices of food and prices connected with transport grew particularly notably. Housing prices also increased more than in the preceding year. Prices of clothing and footwear were still declining, a drop was also observed in communications prices. In 2004, the level of the consumer price index was most affected by the growth in prices of food and non-alcoholic beverages, as these have pushed the total price index up by 1.7 pt. The rises of prices relating to housing and transport increased the total index by 1.0 and 0.6 pt, respectively.

The growth of prices of consumer goods and services in 2004 was significantly degree affected by changes in prices, which were introduced in the preceding year, with carry-over effects (0.8%). It is estimated, that prices changes, which took place in 2004, will increase the consumer price index in 2005 by approx. 1.7%. According to estimates, changes in administrative and controlled prices, which took place in 2004, contributed to a 0.3 pt increase in the consumer price index in 2004 (against 0.5 pt in 2003).

Prices of food and non-alcoholic beverages went up by 6.3% in 2004 as compared to the preceding year (against 1.0% decline in 2003). The highest increases took place in the "sugar, jam, honey, chocolate and confectionery" group (17.0% growth, of which 44.6% in sugar prices). Meat prices also increased considerably in the analysed period (by 9.6%), with the largest rises observed in prices of beef – by 24.7%. Pork prices rose by 12.2%, poultry – by 10.3% and processed meat – by 7.9%. A considerable growth in prices of oils and fats also took place (by 10.8%) – particularly in price of butter (by 18.6%), with a moderate increase in prices of vegetable fats (3.8%). Bread and cereal product prices increased by 5.3%, with considerable price growth observed particularly for rice (by 19.9%) and flour (10.9%). In the "milk, cheese and eggs" group, prices increased by 5.1%, with prices of eggs rising by 10.0%, cheese – by 6.1% and milk – by 3.0%. Prices of fruit grew by 3.1%, while vegetable prices declined by 1.8%, compared to the preceding year. Non-alcoholic beverages went up in price by 1.8%.

Prices of alcoholic beverages and tobacco increased by 2.6% as compared to the preceding year (against a 2.2% decline in 2003), as a result of an increase in prices of tobacco products (by 7.0%) with a drop in prices of alcoholic beverages (by 0.2%).

Prices of clothing and footwear declined in 2004 as compared to 2003 by 3.6% (against 2.5% in the preceding year), with a deeper decline in prices of footwear (5.2%), than clothing (2.9%).

The increase in prices of goods and services related to housing in 2004 as compared to the preceding year was higher than in 2003 (3.7% against 2.8%). Actual rentals fees (including cold water charges) increased by 3.6% and electricity, gas and other fuels – by 3.0%. Prices of liquid and solid fuels rose by 4.8%, gas – by 4.6% (including container gas – by 6.7%) and heat energy and electricity – by 1.9% each. The increase in prices of housing was also significantly affected by growth in prices of materials for the maintenance and repair of the dwelling – by 9.8%. The increase in prices of goods and services related to furnishings, household equipment and routine maintenance of the house amounted to 1.8%.

Prices of goods and services associated with health care increased by 2.0% in 2004, a similar rate of price growth as observed in the preceding year (2.1%). Prices of pharmaceutical products increased by 2.3%, while charges for out-patient services increased by 1.8%, with prices of dental services increasing more than those of medicals (2.4% against 1.0%).

Prices in transport rose considerably more in 2004 than in the preceding year (7.2% against 4.5%), mainly as a result of a large increase in prices of fuels for personal transport equipment (by 12.4%, as compared with 7.9%). Motor cars cost 3.4% more than in the preceding year. Transport services were 3.7% more expensive, with charges for passenger transport by railway increasing more (5.0%) than those for transport by road (2.9%).

Prices of communications declined in 2004 as compared to the preceding year (by 0.2%). Prices of postal service rose by 0.5%, while those of Internet services declined considerably (by 16.3%).

In 2004 prices of goods and services in recreation and culture were rising less than in the preceding year (0.7% against 1.8%). Significant increases were observed in radio and cable television fees (by 8.3%), with prices of tickets to cinemas, theatres and concerts also rising (by 5.8%), as well as those in package holidays services (by 1.0%). Meanwhile, prices of audio-visual, photographic and information processing equipment declined (by 4.0%).

As compared to the preceding year, fees in education increased by 2.7% (against 2.3% in the preceding year). Among other goods and services, in 2004, an increase took place in, among others, prices of social protection services (by 2.8%), while prices of insurance services declined (by 2.9%).

Wages and Salaries and Social Benefits

The average real growth of monthly gross wages and salaries in the enterprise sector was quite low, much lower than in 2003. Following an increase in the purchasing power of wages and salaries in the period of January-June 2004, in the second half of the year it declined year-on-year, mainly as a result of a considerable increase in consumer prices. Average monthly gross retirement pays and pensions from non-agricultural social security system were also somewhat higher than in the preceding year, but those of individual farmers – decreased slightly, as compared with their relatively large increase in 2003.

The average monthly gross wage and salary in the enterprise sector in 2004 amounted to PLN 2438.57 and was 4.1% higher than in 2003 (in 2003 a 2.8% increase was recorded). An above-average increase in wages and salaries was observed in mining and quarrying (7.0%), electricity, gas and water supply (5.1%), manufacturing (4.7%) and construction (4.3%), with below-average increases in, among others, hotels and restaurants (1.8%), real estate, renting and business activities (2.2%), transport, storage and communication (3.1%), as well as trade and repairs (3.8%). Among the manufacturing divisions with significant share in employment, average gross wages and salaries increased the most in manufacture of motor vehicles, trailers and semi-trailers (by 9.1%), machinery and equipments (by 6.0%) and metal products (by 5.5%), with smallest increase in manufacture of rubber and plastic products (by 2.4%).

The average real gross wage and salary in the enterprise sector in 2004 increased by 0.8% compared to the preceding year (a respective increase of 2.0% was observed in 2003). Following a significant real increase in wages and salaries in the first quarter of 2004 (3.8%) and a somewhat slower one in the second quarter (1.6%), in the following two quarters was a decline (by 0.5% and 1.5%, respectively).

The average gross monthly retirement pay and pension from the non-agricultural social security system in 2004 amounted to PLN 1140.94 and was 4.4% higher than in the preceding year. Its purchasing power increased by 0.6% in that period, with a 3.5% increase observed in the first quarter, much slower growth in the second quarter – 0.4% and a decline in the following two quarters (by 1.0% and 0.5%, respectively).

The average gross monthly retirement pay and pension of farmers amounted to PLN 747.25 in 2004 and was 2.8% higher than in 2003. Its purchasing power declined in that period by 1.0%, as a result of a drop noted begining with the second quarter, by 1.3%, 2.4% and 2.1%, respectively, with growth recorded only in the first quarter (by 1.9%).

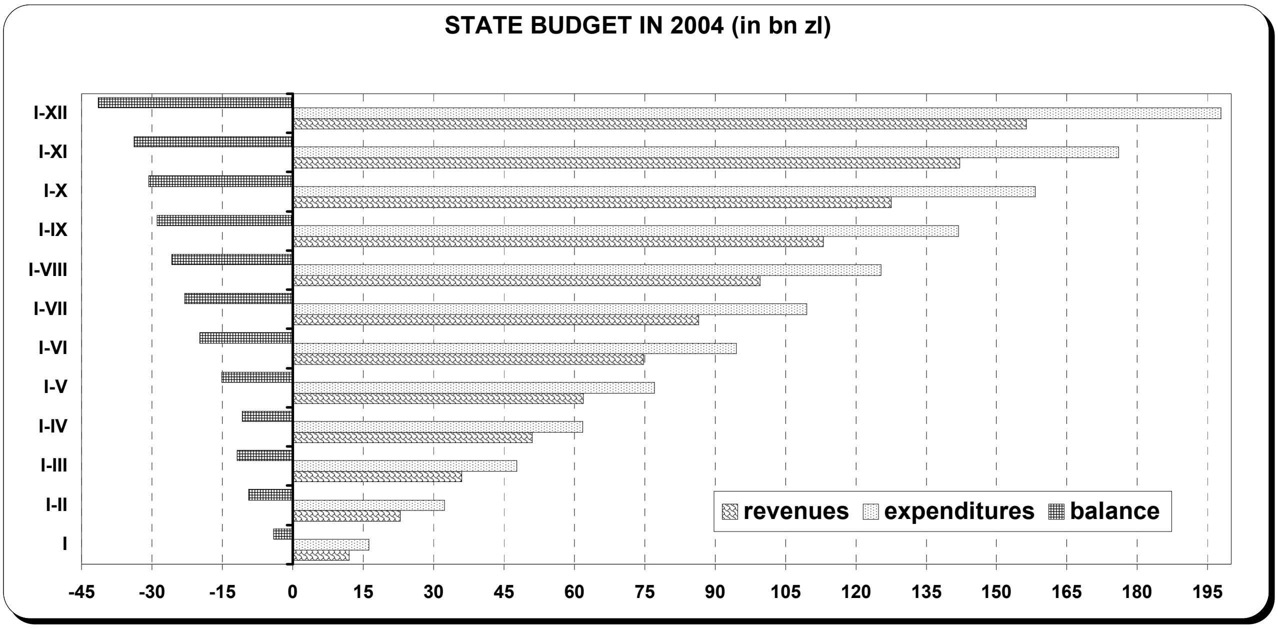
The average total number of retirees and pensioners in 2004 was similar to the level observed in the preceding year (9212.2 thous. persons – a 0.1% increase). Retirement pays and pensions from the non-agricultural social security system were being collected by 7503.6 thous. persons (0.7% more than in 2003) and from the agricultural system – 1708.6 thous. persons (2.7% fewer).

The gross total of unemployment benefits (excluding of social security contributions) amounted to PLN 2585.6 mn in 2004 and was 7.8% lower than in 2003.

Pre-retirement benefits and allowances paid out in 2004 amounted to PLN 5868.0 mn, i.e. 17.3% more than in the preceding year.

The State Budget

Revenues of the state budget[14] amounted to PLN 156277.8 mn, expenditures – PLN 197698.1 mn, and the deficit – PLN 41420.3 mn (101.1%, 98.9%, 91.4% of amounts planned in the 2004 budget act). Budget revenues in 2004 were 2.7% higher than the year before, while expenditure – 4.5% higher.



The following state budget revenue and expenditure figures were recorded:

Specification	Budget act for 2004	I–XII 2004 execution	I–XII 2004 execution of budget act	I–XII 2004 I–XII 2003=100	I–XII 2004 structure	I–XII 2003 structure
	in PLN mn		in %			
Total revenues	154552.6	156277.8	101.1	102.7	100.0	100.0
indirect taxes	103676.7	100991.5	97.4	105.8	64.6	62.7
income tax from legal persons	9585.9	13071.7	136.4	92.7	8.4	9.3
income tax from natural persons	22059.8	21506.2	97.5	83.8	13.8	16.9
revenue of state budgetary units	13491.3	14445.2	107.1	134.1	9.2	7.1
of which revenues from customs duties	1924.0	2281.0	118.6	60.8	1.5	2.5
other revenues	5738.9	6263.2	109.1	102.5	4.0	4.0
of which receipts from profit of National Bank of Poland	4212.7	4056.8	96.3	86.7	2.6	3.1
Total expenditure	199851.9	197698.1	98.9	104.5	100.0	100.0
of which:						
service of national debt	18489.6	18423.8	99.6	90.6	9.3	10.7
service of foreign debt	4482.0	4141.1	92.4	111.2	2.1	2.0
allocations for:						
Pension Fund	15130.7	15130.0	100.0	100.8	7.7	7.9
Social Insurance Fund	22959.2	22959.2	100.0	81.2	11.6	14.9
Labour Fund	1102.5	1102.5	100.0	28.0	0.6	2.1
general subsidies for local self-government units	30801.0	30800.9	100.0	97.1	15.6	16.8
State budget deficit	45299.3	41420.3	91.4	111.8	x	x
Financing of deficit						
national sources	43039.9	38295.6	89.0	123.2	x	x
foreign sources	2259.3	3124.7	138.3	52.4	x	x

Execution of budget revenues was 3.4 pts higher than in 2003. Revenues from indirect taxes increased by 5.8%, while those from income tax from natural persons decline by 16.2%. Their share in the total revenue figure amounted to 64.6% and 13.8%, respectively (as compared with 62.7% and 16.9% in 2003). Revenues of state budgetary units increased by 34.1%, while their share in total revenues reached 9.2% (as compared with 7.1% in 2003). Revenues from income taxes from legal persons were 7.3% lower than in the preceding year, while their share in total revenues declined by 0.9 pt to 8.4%.

Execution of budget expenditure in 2004 was 1.6 pt higher than in the preceding year. General subsidies to local self-governments (gminas, powiats and voivodships) amounted to PLN 30800.9 mn, constituting 100.0% of the amount planned in the budget act. The share of this subsidy in total expenditure amounted to 15.6% (as compared with 16.8% in 2003). Expenditure on service of national and foreign debt amounted to 11.4% of total expenditure (as compared with 12.7% in 2003). The subsidy to the Pension Fund increased – by 0.8%, while those to the Social Insurance Fund and the Labour Fund declined, by 18.8% and 72.0%, respectively.

Money

The year 2004 marked an increase in the total stock of money, deposits and other liabilities, with a decline in the negative balance of others (net). At the same time, the net indebtedness of central level government institutions declined. Meanwhile, the rate of growth of other components of M3 and of net foreign assets increased, as compared to the rate observed in 2003, while the growth of dues and cash in circulation slowed down.

The total stock of money increased by 8.0% to PLN 367308.1 mn in the period January-December 2004 (as compared with a growth rate of 5.6% in 2003).

The balance of other (net) items was the main money creation factor in 2004, reaching minus PLN 114542.0 mn, with the negative balance which decreased by 12.1% (as compared with 8.1% growth in 2003).

Dues were the second most significant factor contributing to an increase in money supply in 2004. They increased by 2.9% to reach PLN 271916.4 mn (as compared with 8.1% growth in 2003), with dues from households increasing by 13.2% (in 2003 – 13.6%), from local government institutions by 4.0% (as compared with 13.8%). Meanwhile, dues from enterprises declined by 3.7% (as compared with 2.2% growth in 2003), from non-monetary financial institutions – by 11.6% (as compared with 10.0% growth), social insurance funds – by 1.1% (as compared with almost a two-fold increase in 2003) and from non-commercial institutions serving households – by 6.0% (as compared with an 18.6% decline).

Net foreign assets increased by PLN 7035.8 mn (by 5.2%) in 2004, reaching the level of PLN 142924.0 mn (in 2003 - by 2,9%).

Net indebtedness of central level government institutions was a factor negatively affecting the growth of money supply in 2004. It declined by 4.5% to the level of PLN 67009.7 mn (as compared with a 6.4% increase in 2003).

The increase in money stock in 2004 was largely affected by the increase in deposits and other liabilities by PLN 23150.4 mn (by 8.0%, as compared with growth of 3.7% in 2003). Deposits and other liabilities of enterprises increased by 24.4% (in 2003 – by 24.0%), non-monetary financial institutions – by 27.1% (as compared with 23.3%), local government institutions – by 28.5% (as compared with 4.6%), social insurance funds – by 76.7% (as compared with a 50.0% decline), non-commercial institutions serving households – by 4.3% (as compared with 3.7%) and households – by 0.1% (as compared with a 2.0% decline in 2003).

The stocks of cash in circulation (except for bank counters) increased in 2004 by PLN 1564.5 mn (by 3.2% as compared with 17.1% growth in 2003). Other components of M_3 increased by 111.4% (as compared with 28.5% growth in 2003).

Basic interest rates of the NBP, namely the rediscount rate and the lombard rate, had been raised twice during 2004, from 5.75% to 7.0% annually and from 6.75% to 8.0%, respectively.

The average official exchange rate of the USD in 2004 amounted to 365.40 PLN/100 USD (a 6.0% decline compared to the 2003 average). In December of last year, the average monthly official exchange rate of the USD amounted to 309.54 PLN/100 USD and was 5.7% lower than in the previous month and 18.3% lower than in 2003.

The average official exchange rate of the euro in 2004 amounted to 453.40 PLN/100 EUR and was 3.1% higher than in 2003. In December of last year, the average monthly official exchange rate of the euro amounted to 414.38 PLN/100 EUR, i.e. 2.8% less than in the previous month and 11.0% less than in 2003.

Securities Turnover on the Stock Exchange

At the end of December 2004, the Warsaw Stock Exchange indices – WIG, WIG-20 and WIRR – signalling the situation on the stock market, were at levels considerably higher than observed in 2003. In the period of January-December of last year, the highest turnover was recorded on the futures contracts' and shares' markets. The value of bonds turnover declined.

In the period January-December 2004, the turnover of shares in all listing systems amounted to PLN 118517.7 mn, i.e. 48.6% more than in the corresponding period of 2003. The value of shares turnover in the continuous trading system amounted to PLN 109530.9 mn, in the block transactions system – PLN 8743.0 mn and in the single-price quotation (two auction) system – PLN 243.8 mn.

Trading of allotment certificates in the continuous trading system in the analysed period amounted to PLN 691.8 mn (a 156.2% increase) and in the block transactions system – PLN 310.7 mn (a 64.0% increase).

A significant increase in turnover in subscription rights was recorded in 2004. This trade, in the continuous trading system, amounted to PLN 83.4 mn (as compared with PLN 17.4 mn in 2003).

In the January-December period, trade in futures contracts was 5.9% higher than shares turnover and amounted to PLN 125494.1 mn (i.e. 8.0% more than in 2003).

Meanwhile, the turnover of investment certificates declined significantly (it amounted to PLN 197.3 mn, as compared with PLN 3264.9 mn in the preceding year), as did the turnover in warrants (PLN 11.5 mn, as compared with PLN 15.6 mn).

Turnover in index units amounted to PLN 15.7 mn (i.e. 53.8% less than in 2003), while turnover of subscription warrants in the continuous trading system – PLN 80.2 mn (a 23.0% increase over 2003).

Turnover of index options amounted to PLN 49.7 mn in the January–December period (as compared with PLN 19.3 mn in 2003 (these instruments are only listed since the third quarter of 2003).

At the end of December of 2004, all stock exchange indices (except for WIG-INFO) were at higher levels than in 2003. The WIG index grouping the largest companies increased by 27.9%, while the index of the smallest companies – WIRR – by 72.9%. In the group of sector indices, the highest year-on-year increases were recorded for WIG-BANKI (by 35.2%) and WIG-TELEKOM (by 32.7%) indices.

The stock exchange index – WIG-PL, reached the level of 26540.1 pt at the end of December of 2004 (a 27.4% increase compared to the end of the preceding year).

Arrivals in and Departures from Poland

According to the Border Guards' data, in 2004, there were 196 mn persons entering and leaving Poland cleared at Polish borders[15], i.e. by 9.7% more than in the preceding year (in 2003 there were 5.5% fewer respectively). The number of border crossings by foreigners arriving and departing Poland amounted to 122.4 mn, i.e. by 19.2% more than in the previous year and constituted 62.4% of the total number of clearances (57.4% in 2003).

The most intensive traffic was observed at the western border of Poland, where 90.7 mn persons were cleared in 2004, i.e. by 25.2% more than in the preceding year (against increase respectively by 2.3% in 2003). The share of crossings on that border in the total number of crossings amounted to 46.3% (against 40.5%).

At the southern border there was a slight decrease in the number of crossings observed. It was crossed by 68.5 mn persons, i.e. by 1.5% fewer than in the preceding year (in 2003 a decrease by respectively 13.1%). Crossings at this border amounted to 34.9% of the total number of crossings (against 38.9% in 2003). The border with the Czech Republic was crossed by 52.4 mn persons (by 4.6% fewer), which constituted 76.5% of crossings made at the southern border. There were 16.1 mn persons crossed at the border with Slovakia (by 10.2% more).

The number of crossings at the eastern border of Poland rose insignificantly for the first time in three years. In 2004 there were 27.4 mn crossings made there, i.e. by 2.0% more than in the previous year (against a decrease respectively by 6.5% in 2003). The largest growth of the number of crossings was reported at the border with Lithuania, where 3.8 mn persons were crossed, i.e. by 17.5% more (6.4% more in 2003 respectively). The border with Ukraine was crossed by 12.1 mn persons (3.8% more than in the previous year), and crossings at that border amounted to 44.1% of all crossings at the eastern border. The number of persons crossing the border with Russia increased by 13.4% to 3.5 mn crossings. Meanwhile, there was a smaller traffic at the border crossings with Belarus. It was crossed by 7.9 mn persons, i.e. by 10% less.

There were 6.8 mn persons cleared at airports (by 32.9% more than in 2003), of which there were 4.9 mn cleared at Okęcie Airport (by 21.3% more). Crossings at Okęcie amounted to 72.1% of border traffic at Polish airports.

There were 2.7 mn persons cleared in seaports, i.e. by 44.6% less than in the preceding year (increase was reported in 2003 respectively by 2.7%). Sea border crossings in Nowe Warpno and Świnoujście were used by 1.8 mn persons (by 51.0% fewer), which constituted 67.6% crossings of Polish border by seaway.

In 2004 there were 61.9 mn crossings of foreigners entering Poland, i.e. by 18.8% more than in the previous year (in 2003 by 2.7% more respectively). Citizens of foreign countries constituted a great majority of all persons entering Poland, i.e. 94.1% (in the preceding year - 93.5%). Among the persons arriving to Poland the most numerous group were Germans (34.1 mn persons, i.e. 55.1% of all arrivals of foreigners), whose arrivals increased by 34.0% as compared to the previous year (by 7.6% more in 2003 respectively). The number of crossings of Czechs arriving to Poland amounted to 9.3 mn (by 5.2% more than in 2003), and Slovaks - 4.0 mn (by 39.8% more). The most frequent eastern neighbours visiting our country were Ukrainians - 4.5 mn arrivals (by 6.4% less in comparison to the previous year) and Belarusians - 3.5 mn (by 8.0% less). There were 1.4 mn persons arriving from Russia that is a fall of the number of arrivals by 7.4%. The number of arrivals of citizens of Lithuania decreased (by 2.2%) and amounted to 1.3 mn.

The number of crossings by Poles going abroad went down, albeit less than in 2003. In 2004 it totalled 37.2 mn, i.e. by 3.9% less than in the preceding year (against a decrease in 2003 respectively by 14.0%). Poles were most frequently crossing the southern border, where 17.9 mn departures were reported (i.e. 48.2% of all clearances). The number of crossings at the western border totalled 12.9 mn, i.e. 34.7% of the total number of crossed Poles departing abroad.

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[1] Except of purchase by natural persons.

[2] Enterprises producing mainly capital goods, non-durable and durable consumer goods, intermediate goods and goods connected with energy (Eng. MIGs – Main Industrial Groupings) were grouped according to the Regulation of the Commission (EC) no. 586/2001 of 26 March 2001 on executive regulations to the Council Regulation (EC) no. 1165/98 on short-term statistics.

[3] It is related to enterprises with a higher number of employees than 49, regardless the type of activity.

[4] Registration data – can be a subject to change after quarterly reports are complied.

[5] A considerable decline of the magnitude of housing construction effects reported for 2004, in comparison to 2003, was caused by a large number of dwellings reported as completed in 2003, when due to the announced change (from July 2003) of the *Construction Law* many investors fulfilled legal formalities connected with completion of works.

[6] Including receipts for transport of cargo, baggage, mail, loading and unloading, shipping, storing and warehousing cargo connected with services for transport, and also receipts from activities of travel agencies, tour guides and tourist guides.

[7] Standard main lines (subscribers of fixed line telephony) increased by the number of lines in accessible ISDN.

[8] Telephone digital network with integration of services, that enables to use the same network for transfer of voice, image, faxes, data.

[9] The balance of payments is a statistical comparison of turnovers with foreign countries, which in respect of a specific time, presents in a systematized way the economic transactions concluded by Poland with the rest of the world (i.e between the residents and non-residents). The balance of payments is presented with consideration of the current account, capital and financial accounts, balance of errors and omissions and official reserve assets.

A considerable part of the turnover of the balance of payments comes from a closed system of gathering data about transactions accounted by the Polish banking system. The banks send to NBP information about their own transactions as well as transactions made on behalf of the clients of the banks. The data coming from the banks are complemented with information originating directly from enterprises, from surveys of public statistics and the Institute of Tourism.

[10] Elaborated on the basis of NBP materials: „Balance of Payments of the Republic of Poland".

[11] Data concern economic entities running books of accounts (except of results of enterprises from agriculture, hunting, forestry, fishing, financial intermediary and higher education institutions), with the number of 50 and more employees.

[12] Data refer economic entities (regardless of the type of activity) keeping books of accounts, in which the number of employees is 50 or more persons.

[13] Technical machines and equipment, tools, devices, movables and equipment, and means of transport.

[14] Prepared based on information from the Finance Ministry: "Sprawozdanie operatywne z wykonania budżetu państwa styczeń-grudzień 2004 r." - preliminary data.

[15] The survey of the Border Guards registers border crossings, and therefore the same person who passes the border a number of times is treated as several persons accordingly.