ECONOMIC OUTLOOK

SPRING 2003

UNICE ECONOMIC OUTLOOK
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The UNICE Economic Outlook provides a business insight into recent economic developments, based on a survey of UNICE member federations in the 15 member states of the EU. Qualitative data and forecasts were established in February 2003. Aggregate values are GDP (at PPS) weighted, unless otherwise indicated.

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Table 1: UNICE forecasts

EU-12	**2003**	**2004**
GDP (annual % change)	1.2	2.2
Inflation (%)	2.0	1.9
Unemployment (%)	8.6	8.5
Employee Compensation (annual % change)	3.0	2.6
EU-15	**2003**	**2004**
GDP (annual % change)	1.4	2.2
Inflation (%)	2.1	2.1
Unemployment (%)	7.9	7.8
Employee Compensation (annual % change)	3.2	3.0

EXECUTIVE SUMMARY

European recovery postponed yet again

Recovery is still not in sight. Six months ago the UNICE Economic Outlook predicted that growth would pick up in the first half of 2003. Now, six months later, this recovery forecast has been shifted towards the second half of the year. Business now expects the Eurozone to grow by no more than 1.2% in 2003 (1.4% in the EU), and even this forecast looked set to be corrected downwards when this Outlook went to press. The UNICE index of business climate is unremittingly grim as European business is still confronted with a squeeze on profits and an economic future riddled with uncertainties, forcing companies to further postpone investments. Business is trying to cut costs, as it struggles with volatile oil prices and persistently high labour costs in most Member States. Access to finance is becoming increasingly difficult. Export-driven sectors must adapt to a weaker US Dollar.

On average European economic activity is stable, albeit at very low levels. However, in some Member States the risk of deterioration is still very present. In Germany in particular, economic conditions are persistently gloomy, and a new recession cannot be ruled out, which is a cause for concern in many smaller neighbouring Member States and indeed the whole European economy. Other larger Member States also have to cope with a worsening economic climate.
In contrast with this dull picture, rosier economic prospects can be found in Spain and in Denmark.

Economic activity remains on hold

The spectre of war in the Middle East and its possible effects on the oil price and already strained financial markets is mesmerising all short-term economic activity. Especially consumer confidence is on record lows. However, the real problems of the European economic environment lie much deeper: unemployment, reform inertia and fiscal uncertainties play a more important part in keeping European domestic demand paralysed than geopolitical uncertainties.

With the US economy struggling to maintain its pace of growth, external impulses are currently not strong enough to compensate for this. Yet growth in many parts of the world, including the USA and Asia without Japan, remains sound and certainly more dynamic than in Europe.

Europe must meet the challenge of Lisbon

In the medium to long run the economic situation is not hopeless. Return to trend growth is possible in 2004. If the global political uncertainties subside, and if subsequently the sturdy US growth motor starts running again, the European economy could be dragged along.
But it is a dangerous game to rely on external factors. The world economy is far from immune to further shocks - the USA is still consuming more than it is producing and thereby accumulating a huge current account deficit. Europe must finally tackle its own underlying weaknesses, which have translated into low productivity growth and high unemployment rates in recent years.
If the larger Member States do not quickly and determinedly undertake reforms to overcome their structural deficiencies – reforms they have already largely decided on in the Lisbon Strategy – Europe could stay on the brink of stagnation for quite some time.

It is an illusion to believe that looser monetary policy could solve these structural problems. If labour markets are not freed from their historical burdens, they will not be able to adapt to the fast-changing economic environment of today. If governments do not create certainty about the future of public finances, people will continue to expect tax rises and take them into account in their present hesitant spending decisions. If policy-makers do not finally pave the way for more open, innovative and technology-oriented markets, the EU will permanently lose its place among the top-performing economies of the world. Europe must regain a vision of growth.

MAIN RISKS OVER THE NEXT SIX MONTHS

The Iraq crisis largely dominates economic risk scenarios among UNICE member federations – for better as well as for worse.
If the explosive situation in Iraq is solved without or with a quick and successful war, it is widely expected that this will boost the world economy, from which Europe would benefit.
If, on the other hand, the Iraq crisis makes oil prices surge over a prolonged period of time, serious consequences such as a stock market collapse followed by recession cannot be ruled out.

The US current account deficit has been a cause of concern for a long time among economists. But now, when the deficit is higher than ever before and rising due to larger growth differentials with other countries, there is a real risk of it causing instability in the global economic environment.

Within Europe, the economic difficulties in Germany are a major concern for many member federations, as the former growth motor of Europe is still at risk of falling back into recession. Business is also concerned that the growing deficits of larger Member States is undermining the credibility of the common macro-economic framework.

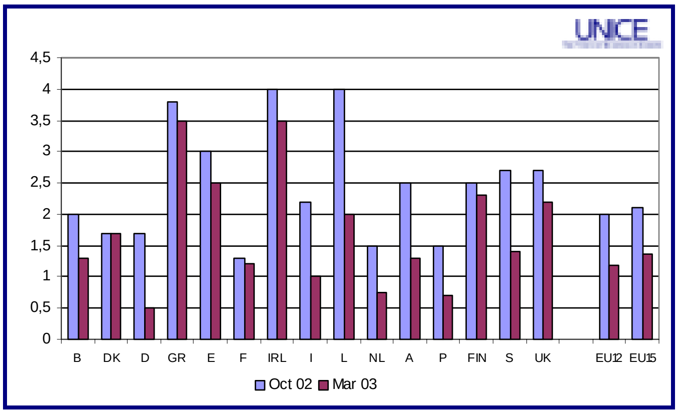
Elections will be held in Belgium and Finland within the coming six months and raise questions about future tax measures in these countries. The Italian economy might suffer from the looming crisis at Fiat.

FORECASTS

Most business federations in the EU expect a relatively weak first half of 2003 but growth acceleration thereafter. Sadly, this scenario simply moves the forecast that was made in the last Economic Outlook outwards by six months, since in autumn 2002 UNICE expected a beginning of acceleration already in the first half of 2003.

Consequently, growth forecasts for 2003 have been revised downwards compared with six months ago when growth in the Eurozone was still expected to be 2.0% for 2003 (2.1% in EU-15). In February 2003 this figure was down to a mere 1.2% (1.4% in EU-15).

Chart 1 - Growth Forecasts for 2003



Before this Outlook went to press, even a further downward revision of this year's growth figure for Europe seemed possible.

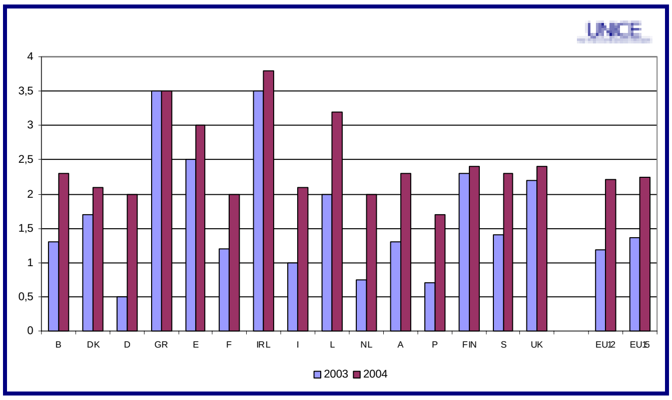
The Netherlands, Portugal and especially Germany look particularly weak with expected growth rates of just 0.7% and 0.5%. All three have had to revise their growth forecasts considerably downwards. Italy has also more than halved its expected growth figures for 2003.

Only Greece and Ireland maintain their strong growth forecast of above 3% for 2003, and even in those countries the rates have been reduced. Luxembourg had to half its growth figures for 2003 from 4% to 2% (it expects to be up at 3.2% again in 2004).

The only member federation not to have revised its growth forecast downwards for this year is the Danish federation.

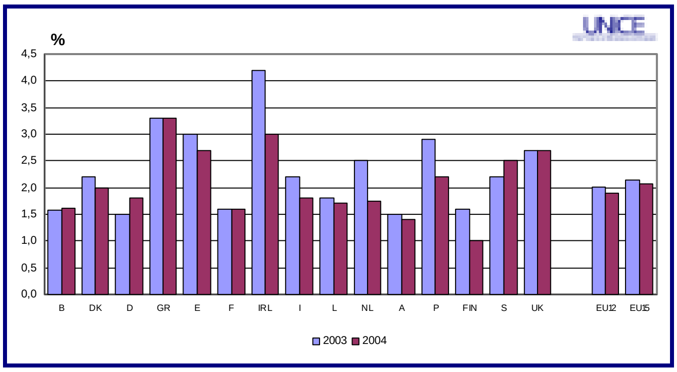
For 2004 rosier figures prevail (2.2% in EU-12 as well as in EU-15). However, business federations mostly assume that by then the business cycle will have returned to trend growth without basing themselves on precise economic indicators.

Chart 2 - Forecast: GDP Growth in 2003 and 2004



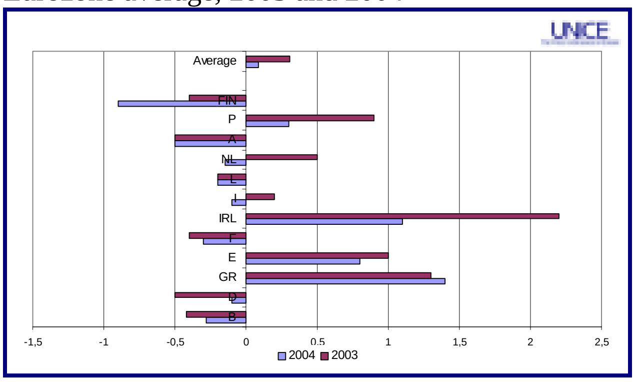
Forecast for inflation in the Eurozone remains within the 2% ceiling of the ECB for 2003 and 2004 on average. Business is expecting the ECB to continue its policy that will ensure monetary stability.

Chart 3 - Forecast: Inflation rates 2003 and 2004



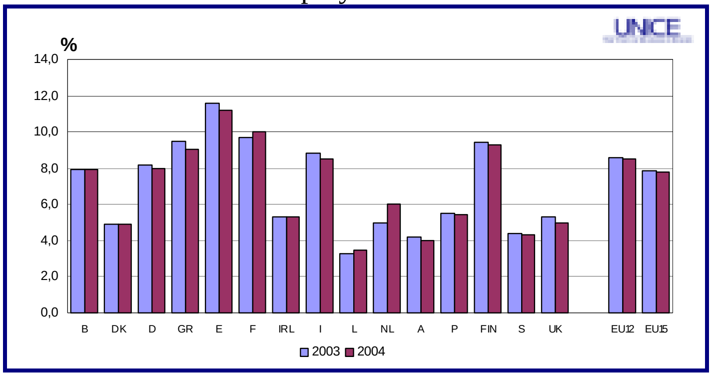
The expected inflation rates within Member States will still significantly differ from the Eurozone average in 2003 and 2004.

Chart 4 - Forecast: Inflation Differentials from Eurozone average, 2003 and 2004



Overall unemployment rates are expected to stay at the same high levels for the next one and a half years.

Chart 5 - Forecast: Unemployment rates 2003 and 2004



Business expects the average unemployment rate to remain at 8.6% (7.9% in EU-15) in 2003. This is even an increase in forecasts compared with the UNICE forecast of six months ago (8.3% in EU-12, 7.6% in EU-15). Only a very slight improvement is expected for 2004 with 8.5% in EU-12 and 7.8% in EU-15.

The prospect of virtually unchanged conditions on labour markets is bad news for consumer confidence - already badly hit - and for public finances where unemployment benefits pose a heavy burden. France, the Netherlands and Luxembourg must also prepare for an increase in unemployment rates.

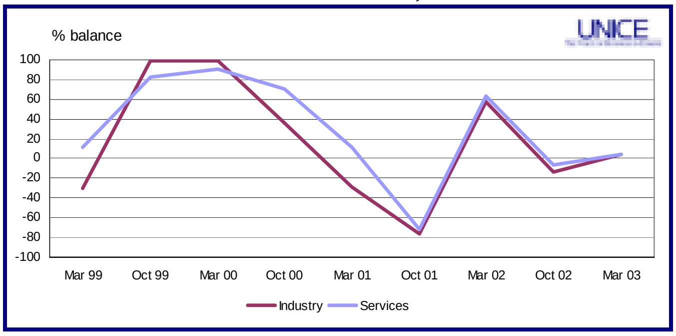
It should be noted, however, that as many as eight EU Member States have unemployment rates of below 6%. The employment situation strongly depends on national labour market regulation and the behaviour of social partners.

ECONOMIC SENTIMENT

BUSINESS CLIMATE

Business expects that the economic climate will remain stagnant in the next six months. The weighted share of EU business federations expecting positive developments is roughly equal to the weighted share expecting negative developments.

Chart 6 - Trend in business climate, EU-15



This chart as well as charts 7, 8, 11 and 17 show the difference between weighted shares of respondents expecting positive developments over the next six months and those expecting negative developments. Those respondents expecting unchanged developments are not counted in these charts.

No fewer than ten UNICE member federations are currently expecting neither a change for the better nor for the worse. Since the European economy remains dependent on world demand for a recovery, it will remain on hold as long as the world anxiously awaits the outcome of the Iraq crisis.

Worse economic times are feared in the Netherlands, Luxembourg and the UK. In Germany economic sentiment is mixed. On the one hand low sales expectations and continued high pressure on stocks through insufficient orders still make it vulnerable to a downturn. The dramatic situation of German public finances is also still weighing on business sentiment. However, recent indicators of economic sentiment have hinted at a cautious convalescence.

Positive exceptions to this outlook are provided by Spain and Italy which expect a more favourable business climate, mainly due to increased domestic demand. And in Denmark, the current "Wunderkind" of Europe, economic crisis seems far away.

From a sectoral point of view, the chemical industry is enjoying a somewhat more positive business climate throughout Europe. On the other side, construction continues to be in a deep crisis in some Member States, especially in Germany.

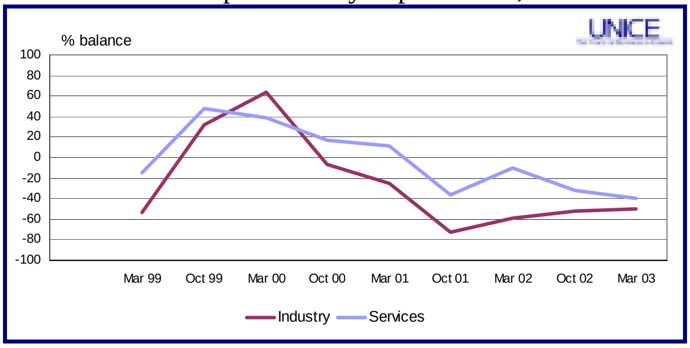
PROFITABILITY

Pessimistic profitability expectations continue largely to outweigh the positive ones. In industry 58% of weighted replies in EU-15 have negative profitability expectations, whereas only 9% have positive ones (for the service sector the figures are 42% and 3%). The rest expect profitability conditions to remain unchanged, i.e. gloomy.

Again this picture is due to the poor conditions in larger Member States, notably Germany, France (mainly industry) and the UK (alongside Ireland and Sweden). In the UK the increase in national insurance contributions will have a negative impact on profitability. German business is also worried about future developments in the tax and social contribution burden. In French industry profit margins are at their lowest in years.

Profits are being squeezed as prices are expected to remain stable or fall against continuing high costs. Labour costs especially have risen quite strongly in many Member States.

Chart 7 - Trend in profitability expectations, EU-15



Many firms are currently tackling this profit squeeze by cutting costs. According to our survey, the Austrian industry is already expecting a more positive profitability outlook due to restructuring and cost-cutting measures. Dutch industry is equally hoping to ease cost pressure by saving (labour) costs in the next six months.

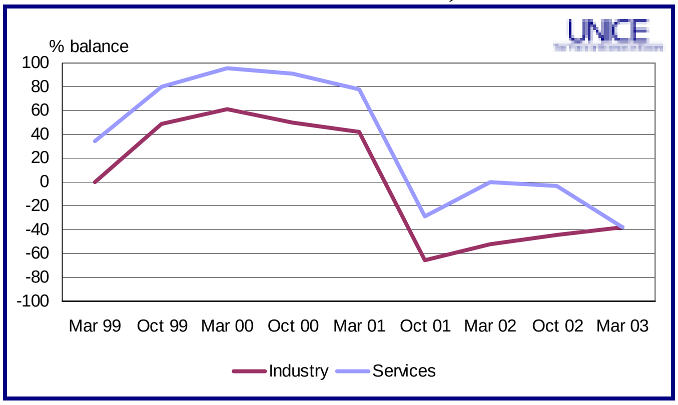
Further positive profitability expectations are to be found in Denmark and in the Finnish service sector.

For export-driven industry the appreciation of the Euro against the US Dollar will be an additional challenge to profitability. As regards imports, oil has been expensive despite a dearer Euro and continues to be volatile, thus depressing company profits from the other side.

As has been the case for more than two years now, profitability expectations in the service sectors remain brighter than those in the industry sector. However, especially industry-related services are increasingly being hurt by low sales expectations, to which it is difficult to adjust promptly due to market rigidities.

INVESTMENT

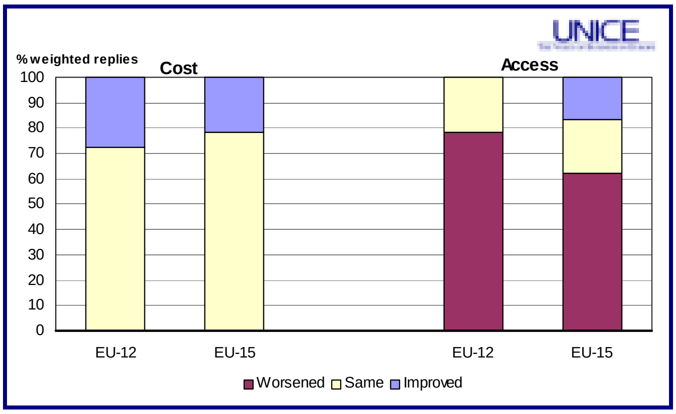
Chart 8 - Trend in investment outlook, EU-15



Spare capacity and generally low confidence is weighing on investment. Incentives for new investment have been weak. Worries about longer-term profitability conditions in many industry sectors continue to have a negative impact on investment calculations.
While the investment outlook for the industry sector has become slightly less bad, the investment climate in the service sector has now reached as low a level as investment prospects in industry.

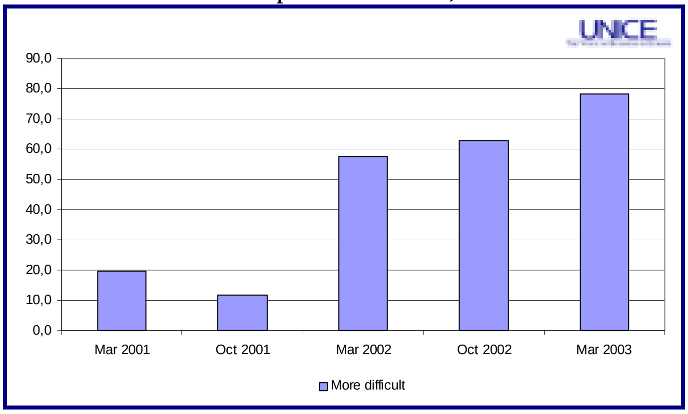
Difficulties in gaining access to finance, in particular for SMEs, can be added to the list of problems that are tending to torpedo investment plans.

Chart 9 - Cost of and access to finance for SMEs



Over the few last years access to finance has become a problem for SMEs in more and more EU Member States as the historical chart shows.

Chart 10 - Access to capital for SMEs, EU-12

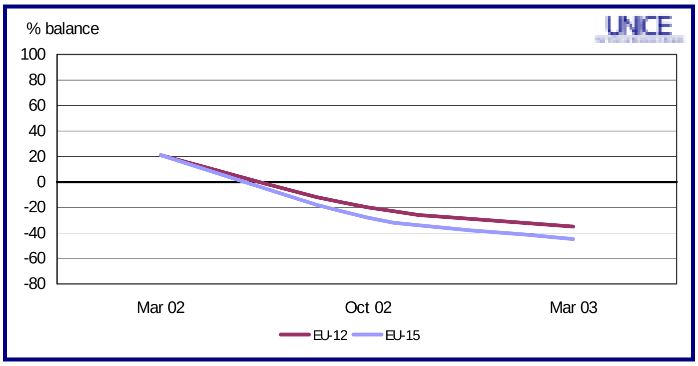


Banks clearly have become more hesitant about granting loans given the high rate of business failures. Structural developments in the banking sector due to increased cost pressure and current changes in capital requirements also play a role in this development.

Of all national federations, only Spanish business and the industry sector in Luxembourg expect a more positive investment climate due to higher capacity utilisation.

CONSUMER CONFIDENCE

Chart 11 - Trend in Consumer Confidence



Since last autumn consumer confidence has dropped even further. Besides the worries about imminent war, more structural problems continue to weigh on consumers' minds:

Persistently poor employment perspectives are the main reason for weak consumer confidence. But fiscal policy, especially in the larger Member States, must also take its share of blame, as prospects for worsening budget conditions in the medium and long term raise fears of tax increases in the future.

The continuing search for excuses to loosen the Stability and Growth Pact does not strengthen confidence in future public finances. UNICE supports action taken by the Commission against any Member State that breaches the rules of the Pact.

Even former European strongholds of consumer confidence are beginning to crumble. In the UK the slowdown in house price rises is feared to have a significant negative impact on the confidence of British consumers that has been exceptionally strong by European standards until now. French consumer confidence is now also weakening after having remained relatively resistant.

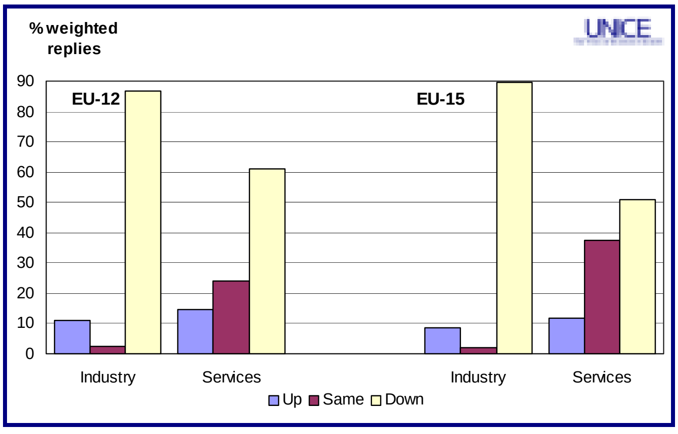
Again, Spain seems to be a European exception in consumer confidence, together with prospering Denmark. In Italy the expected end of the Euro-changeover effect is deemed to have beneficial effects on consumer demand, as confidence in a low inflation currency will finally pick up.

The torpid mood of the European economy shows little sign of improving as the business climate remains grim and consumer confidence is getting worse. Recent developments in stock markets reveal maybe most dramatically the deep confidence crisis, in which Europe is mired.
It is of primordial importance to take away uncertainties and create more positive expectations in future economic developments.

Part of the current uncertainty is due to external factors, in particular to worries about political stability in the Middle East. Yet this must not draw the attention away from the fact that the biggest share of the uncertainty is home-made. There is a clear lack of political will to tackle structural deficiencies within EU Member States.
First, sound fiscal policy must reassure consumers, employees and entrepreneurs that they do not have to fear tax rises in the future. The Commission must act decisively against all Member States that are in breach of the Stability and Growth Pact rules. And second, decisive steps in the structural reform agenda set by the Lisbon Strategy must be undertaken in order to convince people that it is worth doing business in Europe.

LABOUR MARKET AND WAGE INDICATORS

Chart 12 - Expected trend in employment in the next six months



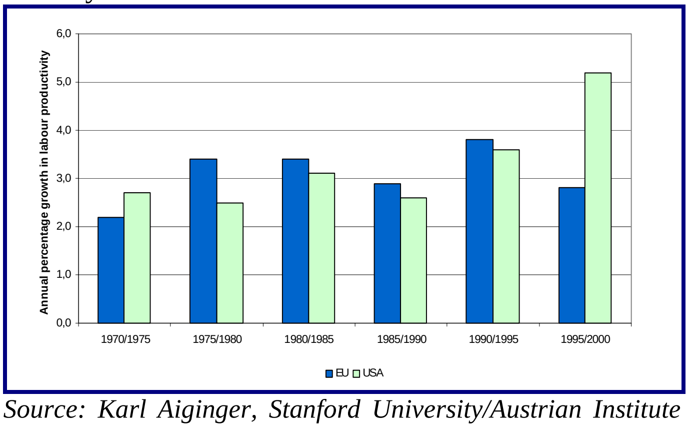
No relief on the labour market is in sight. Companies remain hesitant to hire new staff. The number of jobs is even set to decline due to downsizing measures by companies.

For industry in particular, the employment prospects look extremely gloomy. 87% of weighted replies in EU-12 (89% in EU-15) expect the employment trend in industry to be negative in the next six months. Unemployment is at the core of Europe's economic problems, driving down consumer confidence and weighing on Member States' budgets. The longer the dry spell in profits lasts the more companies will be forced to lay off staff.

In many Member States, the labour market does not even show signs of clearing up in the medium to long term. The Commission has recently confirmed that the EU will miss its intermediate Lisbon target of having 67% of the workforce employed by 2005.

Labour productivity growth is low in Europe – historically as well as compared with international benchmarks. In recent years the gap between Europe and the USA has been widening dramatically.

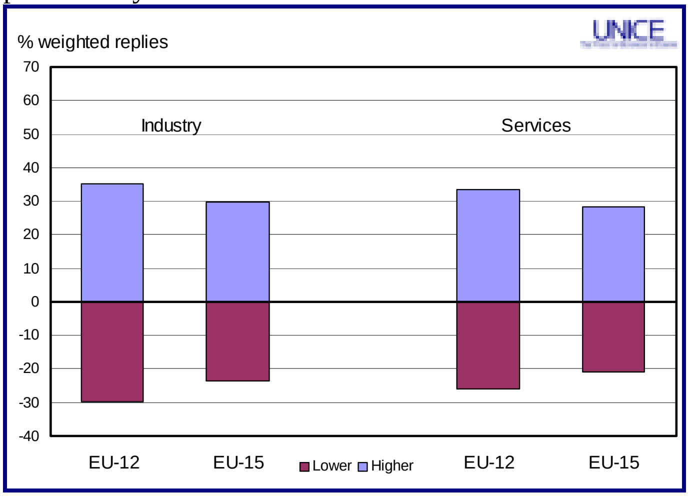
Chart 13 - Average growth in productivity 1970 – 2000, industry*:*



Source: Karl Aiginger, Stanford University/Austrian Institute of Economic Research (2002)

If productivity growth remains low and, at the same time, overall production does not increase, which is clearly the case in Europe, jobs are in danger. In these circumstances additional sharp increases in labour costs are particularly harmful. According to the survey among UNICE member federations, the weighted share of Member States expecting real labour cost increases to be higher than productivity growth outweighs the share expecting real labour cost increases to be lower.

Chart 14 - Real labour cost increase compared with productivity increase



Only France, the Netherlands and Belgium are expecting labour cost increases to be relatively lower.

With European labour productivity growth at historic lows and production rates not taking off, the employment situation is in danger of deteriorating further.
Therefore wage demands must be moderate and support the difficult situation for business. In the Netherlands social partners provide a positive example of an appropriate reaction to the looming rise in the national unemployment rate: backed by the government, they reached an agreement about a limit on wage rises in future wage negotiations.
Governments also have it in their hands to react accordingly and ease the overall burden of labour costs.

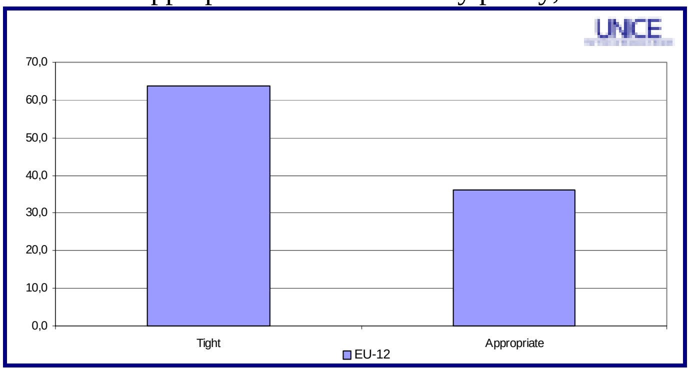
Also with regard to labour market flexibility it is convenient to look across borders and benchmark the labour market performance among EU Member States. In those Member States in which labour contracts are least burdened with over-regulation, the best results in labour market performance have been achieved. A step in the right direction can be reached by encouraging the spread of temporary work, for example.

MONETARY CONDITIONS

In December 2002 the ECB cut interest rates by half a percentage point as inflationary pressure had eased due to continued weak economic growth. The rate cut did not prove to be the miracle cure for the European economy. It eased the pressure but was far from enough to achieve a turnaround in the confidence of market participants.

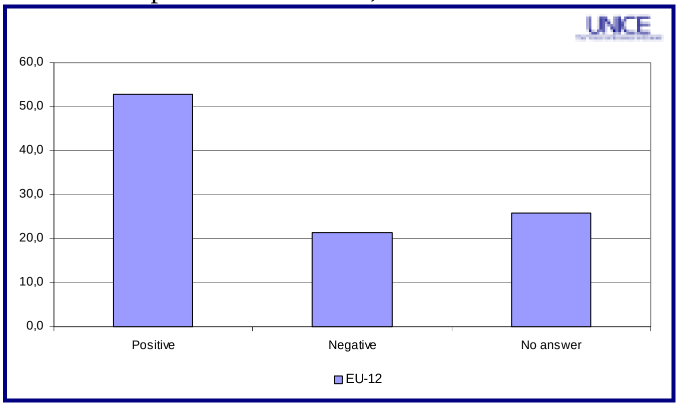
In February 2003 UNICE member federations were asked how they perceive the ECB monetary policy. A majority of weighted replies (64% in EU-12) perceived the monetary policy of the ECB at that time as tight, implying that there was some scope for a cut interest rates. Consequently, the rate cut of 6 March 2003 was largely welcomed by business.

Chart 15 - Appropriateness of monetary policy, EU-12



The high share of general positive opinion of the ECB (53% in EU-12) reflects the high level of trust that the ECB and its policy enjoy among the European business community. Business is confident that the ECB, being the pillar in the European macro-economic policy framework that has best fulfilled its assigned task, will keep on ensuring stable monetary conditions.

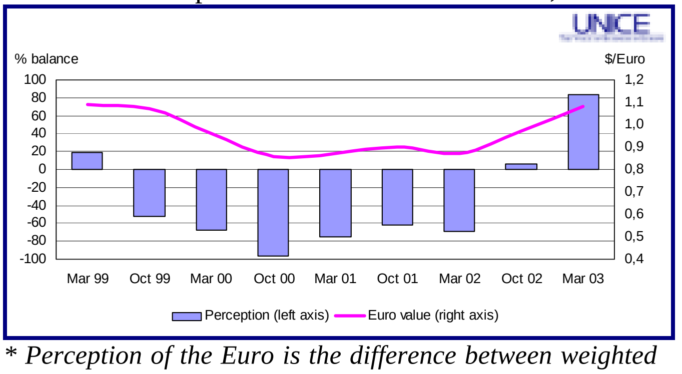
Chart 16 - Opinion on the ECB, EU-12



VALUE AND PERCEPTION OF THE EURO

In the past six months, the Euro has continued to climb against the US Dollar. It is now approximately at the same level as in March 1999, when the UNICE Economic Outlook was first published. Whereas four years ago only 20% in EU-12 perceived that value as too high, now more than 80% of weighted replies in EU-12 think the Euro is too high against the US Dollar.

Chart 17 - Perception of Euro and actual value, EU-12



** Perception of the Euro is the difference between weighted shares of respondents who think the Euro value against the Dollar is too high and those who think it is too low.*

The economic consequences of an exchange rate increase are manifold:

On the one hand, the Euro rise has cushioned the effect of higher oil prices on the world market and thus eased the cost pressure on European companies. Furthermore, a strong currency increases price stability and creates more room for manoeuvre in monetary policy.

However, a high Euro value makes prices of European export products on the world markets less competitive. In tough economic times this is a further burden for European companies.

It seems possible from an analysis of developments in economic fundamentals that European business will have to adapt to a permanent change in the Euro-Dollar exchange rate. With the current account deficit at historic highs and likely to increase further, and the net outflow of foreign capital from the USA (as US interest rates are relatively low and the propensity to invest in US shares and bonds is declining) the world economy might currently be undergoing a paradigm change.

Business supports the monetary policy of the ECB because it has provided monetary stability, essential for sustainable economic growth.
In February 2003 UNICE member federations suggested that, if the current stable monetary conditions persist, there might be some room for a further easing of monetary policy in the future. Consequently, the cut in interest rates on 6 March 2003 was largely welcomed by the business community.
Business is confident that the ECB will continue to ensure monetary stability in the Eurozone, which is a necessary condition for growth.

However, neither the latest nor any future rate cut will change the fundamental structural problems of Europe, which are hindering it from growing.

Exchange rate developments place a further weight on Europe's export industries, but are in line with economic fundamentals. It is possible that European business will have to adapt to a permanently weaker Dollar.

LIST OF UNICE MEMBER FEDERATIONS SURVEYED IN THE ECONOMIC OUTLOOK

BDI	Germany
CBI	UK
CEOE	Spain
CIP/AIP	Portugal
CONFINDUSTRIA	Italy
DI	Denmark
FEDIL	Luxembourg
FGI	Greece
IBEC	Ireland
MEDEF	France
SVENSKT NARINGSLIV	Sweden
TT/PT	Finland
VBO-FEB	Belgium
VNO-NCW	Netherlands
VOI	Austria

	B	D	GR	E	F	IRL	I	L	NL	A	P	FIN	EU-12	DK	S	UK	EU-15
Forecasts 2003																	
Real GDP (annual % growth)	1,3	0,5	3,5	2,5	1,2	3,5	1,0	2,0	0,8	1,3	0,7	2,3	1,2	1,7	1,4	2,2	1,4
Inflation (%)	1,6	1,5	3,3	3,0	1,6	4,2	2,2	1,8	2,5	1,5	2,9	1,6	2,0	2,2	2,2	2,7	2,1
Unemployment (%)	7,9	8,2	9,5	11,6	9,7	5,3	8,8	3,3	5,0	4,2	5,5	9,4	8,6	4,9	4,4	5,3	7,9
Nom. compensn of employees (annual % growth)													3,0				3,2
Forecasts 2004																	
Real GDP (annual % growth)	2,3	2,0	3,5	3,0	2,0	3,8	2,1	3,2	2,0	2,3	1,7	2,4	2,2	2,1	2,3	2,4	2,2
Inflation (%)	1,6	1,8	3,3	2,7	1,6	3,0	1,8	1,7	1,8	1,4	2,2	1,0	1,9	2,0	2,5	2,7	2,1
Unemployment (%)	7,9	8,0	9,0	11,2	10,0	5,3	8,5	3,5	6,0	4,0	5,4	9,3	8,5	4,9	4,3	5,0	7,8
Nom. compensn of employees (annual % growth)													2,6				3,0
Question 1	**Trend in business climate over the next 6 months**												Ind/Ser				Ind/Ser
positive				Ind Ser			Ind Ser						30 30	Ind Ser			26 26
negative								Ser	Ind Ser				6 6			Ind Ser	21 22
neither pos nor neg	Ind Ser	Ind Ser	Ind Ser		Ind Ser	Ind Ser		Ind		Ind Ser	Ind Ser	Ind Ser	63 63		Ind Ser		53 53
Question 2	**Trend in profitability over the next 6 months**												Ind/Ser				Ind/Ser
positive									Ind	Ind		Ser	9 2	Ind Ser			9 3
negative		Ind Ser			Ind	Ind Ser							50 30		Ind Ser	Ind Ser	58 43
unchanged	Ind Ser		Ind Ser	Ind Ser	Ser		Ind Ser	Ind Ser	Ser	Ser	Ind Ser	Ind	41 68				33 54
Question 3	**Trend in investment over the next 6 months**												Ind/Ser				Ind/Ser
positive				Ind Ser				Ind					11 11				9 9
negative	Ind Ser				Ind Ser	Ind Ser			Ind Ser	Ind Ser			34 34		Ind Ser	Ind Ser	46 46
unchanged		Ind Ser	Ind Ser				Ind Ser	Ser			Ind Ser	Ind Ser	54 55	Ind Ser			45 45
Question 4	**Level of exchange rate with**												H/A/L				H/A/L
USD	Appr	High	Appr	High	High	Appr	High	High	Appr	High	Appr	High	84/16/0	Appr	Appr	High	83/17/0
GBP	Appr	Appr	Appr	High	na	Appr	Appr	na	Appr	Appr	Appr	Appr		Appr	Low	na	
JPY	Appr	High	Appr	High	Low	Appr	Appr	na	Appr	Appr	Appr	Appr		Appr	Low	High	
Euro	Appr	na	na	na	Low	na	na	na	na	na	na	na		Appr	Low	High	
others: SEK	na	na	na	na	na	na	na	na	na	na	na	High		na	na	na	
Question 5	**Stance of monetary policy**																
tight		yes		yes	yes					yes		yes	64				51
appropriate	yes		yes			yes	yes	yes	yes		yes		36	yes	yes	yes	49
loose													0				0
Question 6	**What is your opinion of the ECB (conduct of monetary policy favourable to business, transparency)**																
positive		yes	yes				yes				yes		53	yes			44
negative				yes		yes			yes	yes			21		yes		19
no answers	yes				yes			yes				yes	26			yes	37
Question 7	**Compared to 6 months ago, SME's cost/access to capital for business development is**												C A				C A
higher / more difficult		A			A	A	A		A	A			0 78				0 62
same	C A	C	C A	C A	C	C		C A		C	C A	A	73 22	C A	C A	C	78 21
lower / less difficult							C		C			C	27 0			A	22 17
Question 8	**Trend in government bonds yields and stock market prices over the next 6 months**												U/S/D				U/S/D
Stock mkt prices	same	down	same	up	same	na	down	same	up	same	same	same	18/63/20	up	down	same	16/68/16
Govt bond yields	same	down	up	same	same	na	same	same	down	down	same	down	48/52/0	same	same	same	42/58/0

	B	D	GR	E	F	IRL	I	L	NL	A	P	FIN	EU-12	DK	S	UK	EU-15
Question 9	**Trend of total tax burden on business in the past 6 months**																
increased		yes					yes						48				38
decreased						yes							2				1
unchanged	yes		yes	yes	yes			yes	yes	yes	yes	yes	51	yes	yes	yes	61
Question 10	**Trend in total tax burden on business in the next 6 months**																
increase		yes									yes		31			yes	41
decrease	yes		yes	yes									17				14
no change					yes	yes	yes	yes	yes	yes		yes	52	yes	yes		46
Question 11	**What is your assessment of the budgetary policy programme for 2002?**																
positive	yes		yes	yes								yes	19	yes			17
negative		yes			yes	yes		yes	yes	yes			59		yes	yes	66
no answer							yes				yes		22				17
Question 12	**Implementation of the Stability & Growth Pact: what is your assessment of your country's multinannual stability programme?**																
positive	yes		yes	yes		yes			yes	yes	yes	yes	32	yes	yes		29
negative		yes			yes			yes					49				39
no answer							yes						20			yes	32
Question 13	**Regulations that harm competitiveness will increase, decrease or not change?**																
Increase	yes					yes							5		yes	yes	23
No change				yes				yes		yes	yes	yes	18				15
Decrease		yes	yes		yes		yes		yes				76	yes			62
Question 14	**Overall trend in employment**												U/S/D				U/S/D
Ind: past 6 mnths	Down	Down	Same	Up	Down	Down	Same	Down	Down	Down	Down	Down	11/22/67	Down	Down	Down	9/17/74
Ind: next 6 mnths	Down	Down	Same	Up	Down	Down	Down	Down	Down	Down	Down	Down	12/3/87	Down	Down	Down	9/2/89
Ser: past 6 mnths	Down	Down	Up	Up	Up	Up	Up	Down	Same	Same	Down	Up	56/9/35	Down	Down	Up	61/7/32
Ser: next 6 mnths	Down	Down	Up	Up	Down	Up	Same	Down	Same	Same	Down	Same	15/24/61	Same	Down	Same	12/37/51
Question 15	**Expectation of labour markets over the next 6 months**																
more tight							yes						20				15
unchanged			yes	yes							yes		16	yes	yes		17
less tight	yes	yes			yes	yes		yes	yes	yes		yes	65			yes	68
Question 16	**Evaluation of labour productivity**												Ind/Ser				Ind/Ser
high		Ind Ser							Ind Ser				34 34				27 27
average	Ind Ser		Ind Ser			Ind Ser				Ind		Ind Ser	12 10	Ind Ser	Ind Ser	Ser	14 28
low				Ind Ser			Ind Ser	Ind Ser		Ser	Ind Ser		33 36			Ind	43 29
Question 17	**Real labour cost increase compared with growth in labour productivity**												Ind/Ser				Ind/Ser
higher		Ind Ser	Ind Ser					Ind Ser			Ind Ser	Ind	35 34	Ind Ser			30 28
same	Ser			Ind Ser		Ind Ser	Ind Ser			Ind Ser		Ser	35 40		Ind Ser	Ind Ser	47 51
lower	Ind				Ind Ser				Ind Ser				30 26				24 21
One-off questions																	
A	**Will public finances achieve balance (or a surplus) over the medium-run/the economic cycle?**																
Yes				yes			yes			yes		yes	35	yes			29
No		no	no		no	no		no	no		no		61		no		51
no answer	no ans												4			no ans	20
B	**Has policy co-ordination at the EU level improved the national management of public finances?**																
Yes	yes	yes	yes			yes	yes			yes	yes	yes	63		yes		52
No				no	no			no					31	no			26
no answer									no ans				6			no ans	21
C	**How will consumer confidence develop over the next 6 months?**																
Positively				pos			pos						30	pos			26
Negatively	neg	neg	neg		neg	neg		neg	neg	neg			65		neg	neg	71
no answer											no ans	no ans	4				3