

Question 13
Consistency between the fiscal and the monetary policies

Adequate

yes

Inadequate



	Spring 200	17 Economic Outlook	k for Czech Republic	c: Answers from SP	CR	
MAIN FORECAST						
Real GDP growth		<b>2006</b> 6,2	<b>2007</b> 5,5	<b>2008</b> 5,0		
Consumer price inflation		2,8	3,0	3,0		
Unemployment rate		7,2	6,7	6,5		
Employment growth		1,6	1,0	1,0		
Components of aggregate demand						
Annual % change		2006	2007	2008		
Private consumption		3,9	4,2	4,1		
Public consumption Investment (Gross fixed capital form	nation)	-1,0 6,5	0,5 7,8	-0,3 7,9		
Exports	iation	12,7	10,6	10,5		
Imports		11,4	10,2	9,6		
ECONOMIC SENTIMENT						
Question 1	Positive	Negative	Unchanged			
Trend in business climate over the next 6 months	Industry Services					
Question 2	Positive	Negative	Unchanged			
Trend in profitability over the next 6 months	Industry Services					
months	Sel vices					
Question 3	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)	
Trend in investment over the next 6	Industry					
months (compared to the last 12	Services					
months)  Question 4	Replacement	Extension	Rationalisation	Innovation		
Driving force behind investment	Replacement		Nationalisation	mnovation		
decisions in the next six months	na	Up	na	Up		
Question 5	Positive	Negative	Unchanged			
Trend in consumer confidence over	yes					
the next 6 months	•					
Question 6	Industry nast 6 months	Industria nost 6 months				
QUOSITOTI O	maustry. past o months	maustry. next o months	Services: past 6 months	Services: next 6 months		
Overall trend in employment	Up	Up	Up	Up		
Overall trend in employment	Up	Up	Up			
Overall trend in employment  Question 7		Up <b>Same</b>	-			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's	Up	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7	Up	Up <b>Same</b>	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business	Up	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8	Up	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro	Up Higher / more difficult  Dollar per euro	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ	Up Higher / more difficult	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?	Up  Higher / more difficult  Dollar per euro  na	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9	Up Higher / more difficult  Dollar per euro	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?	Up  Higher / more difficult  Dollar per euro  na	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?	Up Higher / more difficult  Dollar per euro  na  Dollar per euro	Up <b>Same</b> Cost	Up			
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand	Up Higher / more difficult  Dollar per euro  na  Dollar per euro	Up <b>Same</b> Cost	Up  Lower / less difficult	Up		
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?	Up Higher / more difficult  Dollar per euro  na  Dollar per euro	Up <b>Same</b> Cost	Up  Lower / less difficult  Neither satisfactory nor	Up	Deteriorating	
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?	Up  Higher / more difficult  Dollar per euro  na  Dollar per euro  na	Up Same Cost Access	Up  Lower / less difficult	Up		
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICYMIX  Question 10  Fiscal policy: Progress towards the	Up  Higher / more difficult  Dollar per euro  na  Dollar per euro  na	Up Same Cost Access	Up  Lower / less difficult  Neither satisfactory nor	Up		
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICYMIX  Question 10	Up  Higher / more difficult  Dollar per euro  na  Dollar per euro  na	Up Same Cost Access	Up  Lower / less difficult  Neither satisfactory nor	Up		
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICYMIX  Question 10  Fiscal policy: Progress towards the	Up  Higher / more difficult  Dollar per euro  na  Dollar per euro  na	Up Same Cost Access	Up  Lower / less difficult  Neither satisfactory nor	Up		
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICYMIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?	Up  Higher / more difficult  Dollar per euro  na  Dollar per euro  na	Same Cost Access  Satisfactory	Lower / less difficult  Neither satisfactory nor unsatisfactory	Unsatisfactory yes		
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICYMIX  Question 10  Fiscal policy: Progress towards the	Up  Higher / more difficult  Dollar per euro  na  Dollar per euro  na  Excellent	Up Same Cost Access	Up  Lower / less difficult  Neither satisfactory nor	Up	Deteriorating	
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICYMIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?	Up Higher / more difficult  Dollar per euro na  Dollar per euro na  Excellent	Same Cost Access  Satisfactory	Lower / less difficult  Neither satisfactory nor unsatisfactory	Unsatisfactory yes	Deteriorating  Loose, appropriate for	
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICY MIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?  Question 11	Up Higher / more difficult  Dollar per euro na  Dollar per euro na  Excellent	Same Cost Access  Satisfactory	Lower / less difficult  Neither satisfactory nor unsatisfactory  Appropriate	Unsatisfactory yes	Deteriorating  Loose, appropriate for	
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICY MIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?  Question 11	Dollar per euro na  Dollar per euro na  Excellent  Tight, appropriate for the euro area	Up Same Cost Access  Satisfactory	Lower / less difficult  Neither satisfactory nor unsatisfactory  Appropriate  yes	Unsatisfactory yes	Deteriorating  Loose, appropriate for the euro area	Riske of auro
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICY MIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?  Question 11	Dollar per euro na  Dollar per euro na  Excellent  Tight, appropriate for the euro area	Same Cost Access  Satisfactory  Tight	Lower / less difficult  Neither satisfactory nor unsatisfactory  Appropriate yes  Risks to price stability	Unsatisfactory  yes  Loose  Risks to price stability from indirect tax	Deteriorating  Loose, appropriate for the euro area  Risks from money	Risks of euro appreciation
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICY MIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?  Question 11  Monetary policy is	Dollar per euro na  Dollar per euro na  Excellent  Tight, appropriate for the euro area	Up Same Cost Access  Satisfactory	Lower / less difficult  Neither satisfactory nor unsatisfactory  Appropriate  yes	Unsatisfactory yes Loose Risks to price stability	Deteriorating  Loose, appropriate for the euro area	Risks of euro appreciation
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICY MIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?  Question 11  Monetary policy is  Question 12  ECB policy: Focus on elements of	Dollar per euro na  Dollar per euro na  Excellent  Tight, appropriate for the euro area	Same Cost Access  Satisfactory  Tight	Lower / less difficult  Neither satisfactory nor unsatisfactory  Appropriate yes  Risks to price stability	Unsatisfactory  yes  Loose  Risks to price stability from indirect tax	Deteriorating  Loose, appropriate for the euro area  Risks from money	appreciation
Overall trend in employment  Question 7  Compared to 6 months ago, SME's cost/access to capital for business development  MAIN RISKS  Question 8  Above which level of dollar /euro will the European economy CZ significantly hurt?  Question 9  Where will the dollar / euro stand in October 2007?  POLICYMIX  Question 10  Fiscal policy: Progress towards the medium-term budgetary objective?  Question 11  Monetary policy is  Question 12	Dollar per euro na  Dollar per euro na  Excellent  Tight, appropriate for the euro area	Same Cost Access  Satisfactory  Tight	Lower / less difficult  Neither satisfactory nor unsatisfactory  Appropriate yes  Risks to price stability	Unsatisfactory  yes  Loose  Risks to price stability from indirect tax	Deteriorating  Loose, appropriate for the euro area  Risks from money	