## BUSINESSEUROPE



## Spring 2007 Economic Outlook for Germany: Answers from BDA and BDI

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MAIN FORECAST		2006	2007	2008		
Real GDP growth		2,7	2,0	1,5		
Consumer price inflation		1,4	2,0	1,5		
Unemployment rate		8,1	7,5	7,1		
Employment growth		0,6	1,2	1,0		
		-,-	,	, -		
Components of aggregate demand						
Annual % change		2006	2007	2008		
Private consumption		0.6	0,5	0,8		
Public consumption		1,7	0,5	0,7		
Investment (Gross fixed capital form	nation)	5,3	5,0	3,5		
Exports		12,4	7,0	5,0		
Imports		12,1	6,0	4,0		
ECONOMIC SENTIMENT						
Question 1	Positive	Negative	Unchanged			
Trend in business climate over the	Industry	<b>.</b>	g			
next 6 months	Services					
Quartier 2	Desitive	Negative	Unchenned			
Question 2 Trend in profitability over the next 6	Positive Industry	Negative	Unchanged			
months	industry		Services			
inontais			OCT VICES			
Question 3	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower nace)	Decrease (faster pace)	
	ener (norer pade)		enonangou	(oromor pauc)	(notor pube)	
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	Some	Lin	Somo	Lin		
decisions in the next six months	Same	Up	Same	Up		
Question 5	Positive	Negative	Unchanged			
Trend in consumer confidence over	yes					
the next 6 months						
Question 6	Industry: nast 6 months	Industry: next 6 months	Services: nast 6 months	Services: next 6 months		
		-	-			
Overall trend in employment	Up	Up	Up	Up		
Question 7	Higher / more difficult	Same	Lower / less difficult			
Compared to 6 months ago, SME's		Cost				
cost/access to capital for business		Access				
development		100000				
MAIN RISKS						
Question 8	Dollar per euro					
Above which level of dollar /euro						
will the European economy be	1,40					
significantly hurt ?						
Question 9	Dollar per euro					
Where will the dollar / euro stand	-					
in October 2007 ?	1,40					
POLICYMIX						
Question 10	Excellent	Satisfactory	Neither satisfactory nor	Unsatisfactory	Deteriorating	
	Excenent	Satistactory	unsatisfactory	Unsatistactory	Deteriorating	
Fiscal policy: Progress towards the			yes			
medium-term budgetary objective?			yes			
	Tight, appropriate for				Loose, appropriate for	
Question 11	the euro area	Tight	Appropriate	Loose	the euro area	
Monetary policy is			yes			
	Pobust growth and	Downside risks to	Picks to price stability	Risks to price stability	Pieke from monou	Risks of euro
Question 12	Robust growth and above-target inflation	Downside risks to growth	Risks to price stability from high oil prices	from indirect tax	Risks from money supply growth	appreciation
	above-tai yet inination	growth	nom nign on prices	increases	Suppry growin	
ECB policy: Focus on elements of						
the ECB analysis underlying its	appropriate	appropriate	appropriate	appropriate	insufficient	appropriate
current policy stance is	opp. oprioto	app. spilato	app. spilato	app. oprioro	meanoiont	spp. spridto
Question 13	Adequate	Inadequate				
Consistency between the fiscal and	yes					
the monetary policies	,					
the monetary ponoies						