

**Spring 2007 Economic Outlook for Romania: Answers from ACPR**
**MAIN FORECAST**

	2006	2007	2008
Real GDP growth	4,0	na	na
Consumer price inflation	12,5	na	na
Unemployment rate	5,6	5,0	5,0
Employment growth	na	na	na

**Components of aggregate demand**

Annual % change	2006	2007	2008
Private consumption	1,7	na	na
Public consumption	na	na	na
Investment (Gross fixed capital formation)	3,5	na	na
Exports	20,9	24,0	na
Imports	23,1	20,0	na

**ECONOMIC SENTIMENT**

<b>Question 1</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
Trend in business climate over the next 6 months	Industry				
	Services				
<b>Question 2</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
Trend in profitability over the next 6 months	Industry				
	Services				
<b>Question 3</b>	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
Trend in investment over the next 6 months (compared to the last 12 months)	Industry				
	Services				
<b>Question 4</b>	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>	
Driving force behind investment decisions in the next six months	Same	Same	na	Up	
<b>Question 5</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
Trend in consumer confidence over the next 6 months	yes				
<b>Question 6</b>	<b>Industry: past 6 months</b>	<b>Industry: next 6 months</b>	<b>Services: past 6 months</b>	<b>Services: next 6 months</b>	
Overall trend in employment	Same	Up	Up	Up	
<b>Question 7</b>	<b>Higher / more difficult</b>	<b>Same</b>	<b>Lower / less difficult</b>		
Compared to 6 months ago, SME's cost/access to capital for business development	Cost	Access			

**MAIN RISKS**

<b>Question 8</b>	<b>Dollar per euro</b>
Above which level of dollar / euro will the European economy be significantly hurt ?	na
<b>Question 9</b>	<b>Dollar per euro</b>
Where will the dollar / euro stand in October 2007 ?	na

**POLICY MIX**

<b>Question 10</b>	<b>Excellent</b>	<b>Satisfactory</b>	<b>Neither satisfactory nor unsatisfactory</b>	<b>Unsatisfactory</b>	<b>Deteriorating</b>	
Fiscal policy: Progress towards the medium-term budgetary objective?		yes				
<b>Question 11</b>	<b>Tight, appropriate for the euro area</b>	<b>Tight</b>	<b>Appropriate</b>	<b>Loose</b>	<b>Loose, appropriate for the euro area</b>	
Monetary policy is...						
<b>Question 12</b>	<b>Robust growth and above-target inflation</b>	<b>Downside risks to growth</b>	<b>Risks to price stability from high oil prices</b>	<b>Risks to price stability from indirect tax increases</b>	<b>Risks from money supply growth</b>	<b>Risks of euro appreciation</b>
ECB policy: Focus on elements of the ECB analysis underlying its current policy stance is...						appropriate
<b>Question 13</b>	<b>Adequate</b>	<b>Inadequate</b>				
Consistency between the fiscal and the monetary policies	yes					