BUSINESSEUROPE



Spring 2007 Economic Outlook for United Kingdom: Answers from CBI

MAIN FORECAST		2006	2007	2008		
Real GDP growth		2,6	2,7	2,5		
Consumer price inflation		2,3	2,4	1,9		
Unemployment rate		5,5	5,4	5,3		
Employment growth		0,8	1,1	1,0		
Components of aggregate demand						
Annual % change		2006	2007	2008		
Private consumption		2,1	2,4	2,5		
Public consumption		2,0	2,3	2,4		
Investment (Gross fixed capital form	nation)	5,7	4,7	2,9		
Exports		5,5	4,2	5,1		
Imports		5,4	4,2	5,2		
ECONOMIC SENTIMENT						
Question 1	Positive	Negative	Unchanged			
Trend in business climate over the	Industry	nogunio	e			
next 6 months	Services					
Question 2	Positive	Negative	Unchanged			
Trend in profitability over the next 6		Industry	onenangea			
months	Services					
Question 3	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster nace)	
	morease (raster pace)	meredae (alower pace)	Unchangeu		been ease (raster pace)	
Trend in investment over the next 6				Industry		
months (compared to the last 12 months)	Services					
Question 4	Doplacement	Extension	Dationalization	Innovation		
	Replacement	Extension	Rationalisation	Innovation		
Driving force behind investment decisions in the next six months	Up	Up	Same	Up		
Question 5	Positive	Negative	Unchanged			
Trend in consumer confidence over	1 Gold VG	-	enonangea			
the next 6 months		yes				
Question 6	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months		
Overall trend in employment	Down	Down	Up	Up		
	Down	DOWIT	Op	Οp		
Question 7	Higher / more difficult	Same	Lower / less difficult			
	Higher / more difficult	Same	Lower / less difficult			
Compared to 6 months ago, SME's	Higher / more difficult Cost	Same	Lower / less difficult			
Compared to 6 months ago, SME's cost/access to capital for business	-	Same Access	Lower / less difficult			
Compared to 6 months ago, SME's cost/access to capital for business development	-		Lower / less difficult			
Compared to 6 months ago, SME's cost/access to capital for business development MAIN RISKS	Cost		Lower / less difficult			
Compared to 6 months ago, SME's cost/access to capital for business development MAIN RISKS Question 8	-		Lower / less difficult			
Compared to 6 months ago, SME's cost/access to capital for business development MAIN RISKS Question 8 Above which level of dollar /euro	Cost Dollar per euro		Lower / less difficult			
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 be	Cost		Lower / less difficult			
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 be significantly hurt ?	Cost Dollar per euro na		Lower / less difficult			
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Question 8 Above which level of dollar /euro will the European economy be significantly hurt ? Question 9 Where will the dollar / euro stand in October 2007 ?	Cost Dollar per euro na Dollar per euro		Neither satisfactory nor	Unsatisfactory	Deteriorating	
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