

## Spring 2007 Economic Outlook for the euro area

MAIN FORESACT							
MAIN FORECAST		2006	2007	2008			
Real GDP growth		2,7	2,2	2,0			
Consumer price inflation		2,1	2,0	1,9			
Unemployment rate		7,8	7,4	7,2			
Employment growth		1,3	1,2	1,0			
Hourly wage growth		2,6	2,3	2,2			
Hourly labour productivity growth		1,6	1,2	1,4			
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Components of aggregate demand							
Annual % change		2006	2007	2008			
Private consumption		2,1	1,9	1,8			
Public consumption		2,1	1,4	1,4			
Investment (Gross fixed capital form	ation)	4,4	4,0	3,6			
Exports		8,1	5,4	5,0			
Imports		8,2	5,6	5,0			
ECONOMIC SENTIMENT							
Weighted replies across countries,	% of euro area						
Question 1		Positive	Negative	Unchanged			
Trend in business climate over the	Industry	48	24	28			
next 6 months	Services	40	3	57			
Question 2		Positive	Negative	Unchanged			
Trend in profitability over the next 6	Industry	56	12	33			
months	Services	31	12	58			
Question 3		Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)	
Trend in investment over the next 6	Industry	4	78	18	0	0	
months (compared to the last 12	•						
months)	Services	2	57	29	12	0	
Question 4		Replacement	Extension	Rationalisation	Innovation		
Driving force behind investment	Up	52	49	51	94		
decisions in the next six months	Same	48	51	46	6		
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Question 5	Positive	Negative	Unchanged				
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Trend in consumer confidence over	56	12	32				
Trend in consumer confidence over the next 6 months	56	_	-				
the next 6 months	56	12	32	0	Our land of the land		
	56	12	-	Services: past 6 months	Services: next 6 months		
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