

## AUTUMN 2007 ECONOMIC OUTLOOK FOR FINLAND: ANSWERS FROM EK

### MAIN FORECAST

	2007	2008	2009
Real GDP growth	4.4	3.0	2.5
Consumer price inflation	2.4	2.9	1.8
Unemployment rate	6.8	6.4	6.0
Employment growth	1.8	0.5	0.2

### Components of aggregate demand

Annual % change	2007	2008	2009
Private consumption	3.8	2.4	2.1
Public consumption	1.4	1.4	1.4
Investment (Gross fixed capital formation)	4.6	5.6	2.4
Exports	6.8	5.6	4.9
Imports	5.1	6.3	3.8

### ECONOMIC SENTIMENT

<b>Question 1</b> Trend in business climate over the next 6 months	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b> Industry Services		
<b>Question 2</b> Trend in profitability over the next 6 months	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b> Industry Services		
<b>Question 3</b> Investment intentions over the next 6 months (compared to the last 12 months)	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b> Industry Services	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
<b>Question 4</b> Driving force behind investment decisions in the next six months	<b>Replacement</b> Same	<b>Extension</b> Same	<b>Rationalisation</b> Same	<b>Innovation</b> Same	
<b>Question 5</b> Trend in consumer confidence over the next 6 months	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b> yes		
<b>Question 6</b> Overall trend in employment	<b>Industry: past 6 months</b> Up	<b>Industry: next 6 months</b> Same	<b>Services: past 6 months</b> Up	<b>Services: next 6 months</b> Up	
<b>Question 7</b> Compared to 6 months ago, SME's cost/access to capital for business development will be...	<b>Higher / more difficult</b> Access	<b>Same</b> Cost	<b>Lower / less difficult</b>		
<b>Question 8</b> Effect of financial market turmoil on assessment of financing conditions for next 6 months ...	<b>to a large extent</b>	<b>to some extent</b> yes	<b>not at all</b>		

### MAIN RISKS

<b>Question 9</b> Above which EUR/USD level will the national economy be significantly hurt ?	<b>Dollar per euro</b> 1.50		<b>Question 10</b> Where will the EUR/USD stand in April 2008 ?	<b>Dollar per euro</b> 1.42
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### POLICY MIX

<b>Question 11</b> Progress towards medium-term budgetary objective is...	<b>Excellent</b>	<b>Satisfactory</b> yes	<b>Neither satisfactory nor unsatisfactory</b>	<b>Unsatisfactory</b>	<b>Deteriorating</b>
<b>Question 12</b> Monetary policy is...	<b>Tight, appropriate for the euro area</b>	<b>Tight</b>	<b>Appropriate</b> yes	<b>Loose</b>	<b>Loose, appropriate for the euro area</b>
<b>Question 13</b> Focus on elements of the ECB analysis underlying its current policy stance is...	<b>Robust growth and above-target inflation</b> appropriate	<b>Downside risks to growth</b> appropriate	<b>Risks to price stability from high oil prices</b> excessive	<b>Risks from money supply and credit growth</b> appropriate	<b>Risks of euro appreciation</b> insufficient
<b>Question 14</b> Consistency between the fiscal and the monetary policies	<b>Adequate</b> yes	<b>Inadequate</b>			