



AUTUMN 2007 ECONOMIC OUTLOOK FOR SPAIN: ANSWERS FROM CEOE

MAIN FORECAST

	2007	2008	2009
Real GDP growth	3.7	2.8	2.4
Consumer price inflation	2.6	2.6	2.5
Unemployment rate	8.1	8.2	8.3
Employment growth	3.0	2.0	1.8

Components of aggregate demand

Annual % change	2007	2008	2009
Private consumption	3.1	2.8	2.5
Public consumption	5.3	4.7	3.4
Investment (Gross fixed capital formation)	6.2	3.8	2.5
Exports	4.6	4.0	3.2
Imports	6.2	5.4	4.6

ECONOMIC SENTIMENT

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

MAIN RISKS

Question 9 Above which EUR/USD level will the national economy be significantly hurt ?	Dollar per euro 1.40	Question 10 Where will the EUR/USD stand in April 2008 ?	Dollar per euro 1.40
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POLICY MIX

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