SPRING 2008 ECONOMIC OUTLOOK FOR DENMARK: ANSWERS FROM DA AND DI

MAIN FORECAST

	2007	2008	2009
Real GDP growth	1.8	1.7	1.6
Consumer price inflation	1.9	2.1	2.1
Unemployment rate	3.3	2.8	2.7
Employment growth	2.4	0.6	0.4

Components of aggregate demand			
Annual % change	**2007**	**2008**	**2009**
Private consumption	2.3	2.2	2.2
Public consumption	1.8	1.7	1.0
Investment (Gross fixed capital formation)	5.2	5.8	4.2
Exports	2.5	3.7	5.0
Imports	4.1	5.2	6.5

ECONOMIC SENTIMENT

	Positive	*Negative*	*Unchanged*
Trend in business climate over the next 6 months			Industry Services

	Positive	*Negative*	*Unchanged*
Trend in profitability over the next 6 months			Industry Services

	Increase (faster pace)	*Increase (slower pace)*	*Unchanged*	*Decrease (slower pace)*	*Decrease (faster pace)*
Investment intentions over the next 6 months		Industry			

	Replacement	*Extension*	*Rationalisation*	*Innovation*
Driving force behind investment decisions in the next 6 months	na	na	na	na

	Positive	*Negative*	*Unchanged*
Trend in consumer confidence over the next 6 months			yes

	Industry: past 6 months	*Industry: next 6 months*	*Services: past 6 months*	*Services: next 6 months*
Overall trend in employment	Up	Same	Up	Up

	Higher / more difficult	*Same*	*Lower / less difficult*
Over the next 6 months, cost/access to finance will be…	Cost	Access	

	to a large extent	*to some extent*	*to a limited extent*	*not at all*
Financial market turmoil has affected companies' investment decisions negatively …			yes	

EXCHANGE RATE DEVELOPMENTS

	Dollar per euro
Where will the EUR/USD stand in October 2008 ?	1.50

POLICY MIX

	Not necessary, situation is satisfactory	*Excellent*	*Satisfactory*	*Neither satisfactory nor unsatisfactory*	*Unsatisfactory*	*Deteriorating*
Progress towards medium-term budgetary objective is…			yes			

	Tight	*Appropriate*	*Loose*
Monetary policy is…		yes	

	Adequate	**Inadequate**
Consistency between fiscal and monetary policies		yes