

## SPRING 2008 ECONOMIC OUTLOOK FOR ESTONIA: ANSWERS FROM ETTK

MAIN FORECAST						
	2007	2008	2009			
Real GDP growth	7.1	4.2	5.0			
Consumer price inflation	6.6	9.0	5.0			
Unemployment rate	4.5	4.7	5.0			
Employment growth	1.5	-0.1	-0.3			
Components of aggregate demand						
Annual % change	2007	2008	2009			
Private consumption	10.0	6.0	5.0			
Public consumption	4.0	3.0	2.0			
Investment (Gross fixed capital formation)	8.0	5.0	3.0			
Exports	3.0	5.0	7.0			
Imports	4.0	4.0	5.0			
ECONOMIC SENTIMENT						
<i>Trend in business climate over the next 6 months</i>	<i>Positive</i>	<i>Negative</i> Industry	<i>Unchanged</i> Services			
<i>Trend in profitability over the next 6 months</i>	<i>Positive</i>	<i>Negative</i> Industry Services	<i>Unchanged</i>			
<i>Investment intentions over the next 6 months</i>	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i> Industry	<i>Decrease (faster pace)</i>	
<i>Driving force behind investment decisions in the next 6 months</i>	<i>Replacement</i> Same	<i>Extension</i> Down	<i>Rationalisation</i> Same	<i>Innovation</i> Same		
<i>Trend in consumer confidence over the next 6 months</i>	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i> yes			
<i>Overall trend in employment</i>	<i>Industry: past 6 months</i> Same	<i>Industry: next 6 months</i> Down	<i>Services: past 6 months</i> na	<i>Services: next 6 months</i> na		
<i>Over the next 6 months, cost/access to finance will be...</i>	<i>Higher / more difficult</i>	<i>Same</i> Cost Access	<i>Lower / less difficult</i>			
<i>Financial market turmoil has affected companies' investment decisions negatively ...</i>	<i>to a large extent</i>	<i>to some extent</i>	<i>to a limited extent</i>	<i>not at all</i>		
<i>Financial market turmoil has affected companies' investment decisions negatively ...</i>			yes			
EXCHANGE RATE DEVELOPMENTS						
<i>Where will the EUR/USD stand in October 2008 ?</i>	<i>Dollar per euro</i> na					
POLICY MIX						
<i>Progress towards medium-term budgetary objective is...</i>	<i>Not necessary, situation is satisfactory</i>	<i>Excellent</i>	<i>Satisfactory</i>	<i>Neither satisfactory nor unsatisfactory</i>	<i>Unsatisfactory</i>	<i>Deteriorating</i>
<i>Monetary policy is...</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i> yes			
<i>Consistency between fiscal and monetary policies</i>	<i>Adequate</i>	<i>Inadequate</i> yes				