



## Spring 2008 Economic Outlook for Greece: Answers from SEV

MAIN FORECAST		2007	2008	2009		
Real GDP growth		4.1 2.9	3.8 3.5	3.8 3.2		
Consumer price inflation Unemployment rate		8.0	7.6	7.5		
Employment growth		1.6	1.5	1.5		
Components of aggregate de	mand					
Annual % change	manu	2007	2008	2009		
Private consumption		3.2	3.5	3.4		
Public consumption Investment (Gross fixed capital	formation)	0.7 5.9	1.0 7.0	1.2 7.3		
Exports	ionnation,	8.0	7.3	7.6		
Imports		8.4	7.8	7.2		
ECONOMIC SENTIMENT	Davidha	Manadius	Unahanasa			
Trend in business climate	Positive	Negative	Unchanged Industry			
over the next 6 months	Services		•			
	Positive	Negative	Unchanged			
Trend in profitability over the next 6 months		Industry	Services			
HEAL O HIGHLIS			OGIVICES			
	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)	
Investment intentions over	Industry	, June 1		<b>P</b> 220)	pa00/	
the next 6 months	Services					
Driving force behind	Replacement	Extension	Rationalisation	Innovation		
Driving force behind investment decisions in the	Up	Up	Same	Up		
next 6 months	•	•		•		
	Positive	Negative	Unchanged			
Trend in consumer confidence over the next 6		yes				
months		yes				
	Industry: past 6	Industry: next 6	Services: past 6	Services: next 6		
	months	months	months	months		
Overall trend in employment	Up	Up	Up	Up		
	Higher / more difficult	Same	Lower / less difficult			
Over the next 6 months,		Cost	aivan			
cost/access to finance will						
be		Access				
	to a large extent	to some extent	to a limited extent	not at all		
Financial market turmoil has	to a large extern	to come extent	to a mintou oxtoni	not at an		
affected companies'						
		yes				
investment decisions						
investment decisions negatively						
negatively	MENTS					
	MENTS	Dollar per euro				
negatively		Dollar per euro 1.50				
negatively  EXCHANGE RATE DEVELOPE  Where will the EUR/USD sta						
negatively  EXCHANGE RATE DEVELOPE				Neither colistes		
negatively  EXCHANGE RATE DEVELOPE  Where will the EUR/USD sta	nnd in October 2008 ?  Not necessary, situation is		Satisfactory	Neither satisfactory nor unsatisfactory	Unsatisfactory	Deteriorating
negatively  EXCHANGE RATE DEVELOP!  Where will the EUR/USD sta	and in October 2008 ?  Not necessary,	1.50	Satisfactory		Unsatisfactory	Deteriorating
negatively  EXCHANGE RATE DEVELOPE  Where will the EUR/USD state  POLICY MIX  Progress towards medium-	Not necessary, situation is satisfactory	1.50	<b>Satisfactory</b> yes		Unsatisfactory	Deteriorating
negatively  EXCHANGE RATE DEVELOP!  Where will the EUR/USD sta	Not necessary, situation is satisfactory	1.50	•		Unsatisfactory	Deteriorating
negatively  EXCHANGE RATE DEVELOPE  Where will the EUR/USD state  POLICY MIX  Progress towards medium-	Not necessary, situation is satisfactory	1.50	•		Unsatisfactory	Deteriorating
negatively  EXCHANGE RATE DEVELOPE  Where will the EUR/USD state  POLICY MIX  Progress towards medium-	Not necessary, situation is satisfactory	1.50 Excellent	yes		Loose, appropriate	Deteriorating
negatively  EXCHANGE RATE DEVELOPING THE POLICY MIX  Progress towards mediumterm budgetary objective is	Not necessary, situation is satisfactory	1.50	•	nor unsatisfactory	·	Deteriorating
negatively  EXCHANGE RATE DEVELOPE  Where will the EUR/USD state  POLICY MIX  Progress towards medium-	Not necessary, situation is satisfactory	1.50 Excellent	yes	nor unsatisfactory	Loose, appropriate	Deteriorating
negatively  EXCHANGE RATE DEVELOPING THE POLICY MIX  Progress towards mediumterm budgetary objective is	Not necessary, situation is satisfactory	1.50 Excellent	yes <b>Appropriate</b>	nor unsatisfactory	Loose, appropriate	Deteriorating
negatively  EXCHANGE RATE DEVELOPING THE POLICY MIX  Progress towards mediumterm budgetary objective is	Not necessary, situation is satisfactory  Tight, appropriate for the euro area	1.50  Excellent  Tight  Downside risks to	yes  Appropriate  yes  Inflation pressures	nor unsatisfactory	Loose, appropriate for the euro area Risks related to	Deteriorating  Risks of further
negatively  EXCHANGE RATE DEVELOPING THE POLICY MIX  Progress towards mediumterm budgetary objective is	Not necessary, situation is satisfactory	1.50  Excellent  Tight	yes  Appropriate  yes	nor unsatisfactory  Loose	Loose, appropriate for the euro area	·
negatively  EXCHANGE RATE DEVELOPING THE FORMAL SET IN THE FOR	Not necessary, situation is satisfactory  Tight, appropriate for the euro area	1.50  Excellent  Tight  Downside risks to growth over	yes  Appropriate  yes  Inflation pressures from high oil and	nor unsatisfactory  Loose  Upisde risks to	Loose, appropriate for the euro area Risks related to credit market	Risks of further
negatively  EXCHANGE RATE DEVELOP!  Where will the EUR/USD states to the EUR/USD sta	Not necessary, situation is satisfactory  Tight, appropriate for the euro area  Above-target inflation	1.50  Excellent  Tight  Downside risks to growth over medium term	yes  Appropriate  yes  Inflation pressures from high oil and commodity prices	Loose  Upisde risks to wage inflation	Loose, appropriate for the euro area Risks related to credit market turbulences	Risks of further euro appreciation
negatively  EXCHANGE RATE DEVELOPING THE FORMAL SET IN THE FOR	Not necessary, situation is satisfactory  Tight, appropriate for the euro area	1.50  Excellent  Tight  Downside risks to growth over	yes  Appropriate  yes  Inflation pressures from high oil and	nor unsatisfactory  Loose  Upisde risks to	Loose, appropriate for the euro area Risks related to credit market	Risks of further
negatively  EXCHANGE RATE DEVELOPING THE POLICY MIX  Progress towards mediumterm budgetary objective is  Monetary policy is  Focus on elements of the ECB analysis underlying its	Not necessary, situation is satisfactory  Tight, appropriate for the euro area  Above-target inflation	1.50  Excellent  Tight  Downside risks to growth over medium term	yes  Appropriate  yes  Inflation pressures from high oil and commodity prices	Loose  Upisde risks to wage inflation	Loose, appropriate for the euro area Risks related to credit market turbulences	Risks of further euro appreciation
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negatively  EXCHANGE RATE DEVELOPING THE POLICY MIX  Progress towards mediumterm budgetary objective is  Monetary policy is  Focus on elements of the ECB analysis underlying its current policy stance is	Not necessary, situation is satisfactory  Tight, appropriate for the euro area  Above-target inflation appropriate  Adequate	1.50  Excellent  Tight  Downside risks to growth over medium term  appropriate	yes  Appropriate  yes  Inflation pressures from high oil and commodity prices	Loose  Upisde risks to wage inflation	Loose, appropriate for the euro area Risks related to credit market turbulences	Risks of further euro appreciation
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