

## SPRING 2008 ECONOMIC OUTLOOK FOR GREECE: ANSWERS FROM SEV

MAIN FORECAST						
	2007	2008	2009			
Real GDP growth	4.1	3.8	3.8			
Consumer price inflation	2.9	3.5	3.2			
Unemployment rate	8.0	7.6	7.5			
Employment growth	1.6	1.5	1.5			
<b>Components of aggregate demand</b>						
Annual % change	2007	2008	2009			
Private consumption	3.2	3.5	3.4			
Public consumption	0.7	1.0	1.2			
Investment (Gross fixed capital formation)	5.9	7.0	7.3			
Exports	8.0	7.3	7.6			
Imports	8.4	7.8	7.2			
ECONOMIC SENTIMENT						
<b>Trend in business climate over the next 6 months</b>	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>			
	Services		Industry			
<b>Trend in profitability over the next 6 months</b>	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>			
		Industry	Services			
<b>Investment intentions over the next 6 months</b>	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>	<i>Decrease (faster pace)</i>	
	Industry					
<b>Driving force behind investment decisions in the next 6 months</b>	<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>		
	Up	Up	Same	Up		
<b>Trend in consumer confidence over the next 6 months</b>	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>			
		yes				
<b>Overall trend in employment</b>	<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>		
	Up	Up	Up	Up		
<b>Over the next 6 months, cost/access to finance will be...</b>	<i>Higher / more difficult</i>	<i>Same</i>	<i>Lower / less difficult</i>			
		Cost	Access			
<b>Financial market turmoil has affected companies' investment decisions negatively ...</b>	<i>to a large extent</i>	<i>to some extent</i>	<i>to a limited extent</i>	<i>not at all</i>		
		yes				
EXCHANGE RATE DEVELOPMENTS						
<b>Where will the EUR/USD stand in October 2008 ?</b>	<i>Dollar per euro</i>					
	1.50					
POLICY MIX						
<b>Progress towards medium-term budgetary objective is...</b>	<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>
			yes			
<b>Monetary policy is...</b>	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>	
			yes			
<b>Focus on elements of the ECB analysis underlying its current policy stance is...</b>	<i>Above-target inflation</i>	<i>Downside risks to growth over medium term</i>	<i>Inflation pressures from high oil and commodity prices</i>	<i>Upside risks to wage inflation</i>	<i>Risks related to credit market turbulences</i>	<i>Risks of further euro appreciation</i>
	appropriate	appropriate	appropriate	appropriate	appropriate	appropriate
<b>Consistency between fiscal and monetary policies</b>	<i>Adequate</i>	<i>Inadequate</i>				
	yes					