

## SPRING 2008 ECONOMIC OUTLOOK FOR LITHUANIA: ANSWERS FROM LPK

### MAIN FORECAST

	2007	2008	2009
Real GDP growth	8.0	6.5	6.0
Consumer price inflation	5.8	6.5	5.0
Unemployment rate	4.5	4.7	5.0
Employment growth	2.5	2.4	3.2

### Components of aggregate demand

Annual % change	2007	2008	2009
Private consumption	8.5	7.9	8.2
Public consumption	7.3	7.1	7.4
Investment (Gross fixed capital formation)	na	na	na
Exports	11.2	11.8	12.4
Imports	14.5	7.4	8.2

### ECONOMIC SENTIMENT

<b>Trend in business climate over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
			Industry	Services	
<b>Trend in profitability over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
			Industry	Services	
<b>Investment intentions over the next 6 months</b>	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
			Industry		
			Services		
<b>Driving force behind investment decisions in the next 6 months</b>	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>	
	Same	Same	Up	Up	
<b>Trend in consumer confidence over the next 6 months</b>	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
	yes				
<b>Overall trend in employment</b>	<b>Industry: past 6 months</b>	<b>Industry: next 6 months</b>	<b>Services: past 6 months</b>	<b>Services: next 6 months</b>	
	Up	Up	Up	Up	
<b>Over the next 6 months, cost/access to finance will be...</b>	<b>Higher / more difficult</b>	<b>Same</b>	<b>Lower / less difficult</b>		
	Access		Cost		
	<b>to a large extent</b>	<b>to some extent</b>	<b>to a limited extent</b>	<b>not at all</b>	
<b>Financial market turmoil has affected companies' investment decisions negatively ...</b>		yes			

### EXCHANGE RATE DEVELOPMENTS

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

### POLICY MIX

	Not necessary, situation is satisfactory	Excellent	Satisfactory	Neither satisfactory nor unsatisfactory	Unsatisfactory	Deteriorating
Progress towards medium-term budgetary objective is...				yes		
Monetary policy is...	<b>Tight</b>	<b>Appropriate</b>	<b>Loose</b>			
		yes				
	<b>Adequate</b>	<b>Inadequate</b>				
Consistency between fiscal and monetary policies	yes					