



SPRING 2008 ECONOMIC OUTLOOK FOR SPAIN: ANSWERS FROM CEOE

MAIN FORECAST		2007	2008	2009		
Real GDP growth Consumer price inflation		3.8 2.8	2.4 3.6	1.9 2.4		
Unemployment rate		8.3	9.0	9.5		
Employment growth		3.0	1.5	1.2		
Components of aggregate del	mand					
Annual % change		2007	2008	2009		
Private consumption		3.1 5.2	2.2 4.3	2.0 2.8		
Public consumption Investment (Gross fixed capital	formation)	5.9	4.3 2.9	1.2		
Exports		5.3	4.1	3.8		
Imports		6.6	5.1	4.4		
ECONOMIC SENTIMENT	Positive	Negative	Unchanged			
Trend in business climate	7 00/470	Industry	Ononangea			
over the next 6 months		Services				
T 1	Positive	Negative	Unchanged			
Trend in profitability over the next 6 months		Industry Services				
				Doorooo (olower	Doorooo (footor	
	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)	
Investment intentions over					Industry	
the next 6 months		Services				
	Declare :		Dadie # *	last to the		
Driving force behind	Replacement	Extension	Rationalisation	Innovation		
investment decisions in the	Same	Down	Down	Down		
next 6 months						
Trend in consumer	Positive	Negative	Unchanged			
confidence over the next 6		yes				
months						
	Industry: past 6	Industry: next 6	Services: past 6	Services: next 6		
	months	months	months	months		
Overall trend in employment	Down	Down	Same	Down		
			Lower / less			
	Higher / more difficult	Same	difficult			
Over the next 6 months,		Cost				
cost/access to finance will be	Access					
5 0						
	to a large extent	to some extent	to a limited extent	not at all		
Financial market turmoil has						
affected companies' investment decisions		yes				
negatively						
EXCHANGE RATE DEVELOPMENT	MENTS					
		Dollar per euro				
Where will the EUR/USD sta		Dollar per euro 1.50				
	and in October 2008 ?					
Where will the EUR/USD sta			Satisfactory	Neither satisfactory	Unsatisfactory	Deteriorating
Where will the EUR/USD sta	and in October 2008 ? Not necessary,	1.50	Satisfactory	Neither satisfactory nor unsatisfactory	Unsatisfactory	Deteriorating
Where will the EUR/USD sta	and in October 2008 ? Not necessary, situation is	1.50	Satisfactory	nor unsatisfactory	Unsatisfactory	Deteriorating
Where will the EUR/USD sta	Not necessary, situation is satisfactory	1.50	Satisfactory		Unsatisfactory	Deteriorating
Where will the EUR/USD sta	Not necessary, situation is satisfactory	1.50	Satisfactory	nor unsatisfactory	Unsatisfactory	Deteriorating
Where will the EUR/USD sta	Not necessary, situation is satisfactory	1.50 Excellent		nor unsatisfactory yes	Unsatisfactory Loose, appropriate	Deteriorating
Where will the EUR/USD sta	Not necessary, situation is satisfactory	1.50	Satisfactory Appropriate	nor unsatisfactory		Deteriorating
Where will the EUR/USD sta	Not necessary, situation is satisfactory	1.50 Excellent		nor unsatisfactory yes	Loose, appropriate	Deteriorating
Where will the EUR/USD state POLICY MIX Progress towards medium- term budgetary objective is	Not necessary, situation is satisfactory	1.50 Excellent		nor unsatisfactory yes	Loose, appropriate for the euro area	Deteriorating
Where will the EUR/USD state POLICY MIX Progress towards medium- term budgetary objective is	Not necessary, situation is satisfactory Tight, appropriate for the euro area	1.50 Excellent Tight Downside risks to	Appropriate Inflation pressures	yes Loose	Loose, appropriate for the euro area yes Risks related to	
Where will the EUR/USD state POLICY MIX Progress towards medium- term budgetary objective is	Not necessary, situation is satisfactory	1.50 Excellent Tight Downside risks to growth over	Appropriate Inflation pressures from high oil and	nor unsatisfactory yes	Loose, appropriate for the euro area yes Risks related to credit market	Deteriorating Risks of further euro appreciation
Where will the EUR/USD state POLICY MIX Progress towards mediumterm budgetary objective is Monetary policy is	Not necessary, situation is satisfactory Tight, appropriate for the euro area	1.50 Excellent Tight Downside risks to	Appropriate Inflation pressures	yes Loose Upisde risks to	Loose, appropriate for the euro area yes Risks related to	Risks of further
Where will the EUR/USD sta POLICY MIX Progress towards medium- term budgetary objective is Monetary policy is Focus on elements of the	Not necessary, situation is satisfactory Tight, appropriate for the euro area Above-target inflation	Excellent Tight Downside risks to growth over medium term	Appropriate Inflation pressures from high oil and commodity prices	yes Loose Upisde risks to wage inflation	Loose, appropriate for the euro area yes Risks related to credit market turbulences	Risks of further euro appreciation
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