

AUTUMN 2008 ECONOMIC OUTLOOK FOR GERMANY: ANSWERS FROM BDA AND BDI (NOVEMBER UPDATE)

MAIN FORECAST

	2008	2009
Real GDP growth	1.7	0.0
Consumer price inflation	2.8	2.1
Unemployment rate	7.8	7.9
Employment growth	1.3	-0.5

Components of aggregate demand

Annual % change	2008	2009
Private consumption	-0.3	0.4
Public consumption	2.0	2.2
Investment (Gross fixed capital formation)	4.3	-2.7
Exports	4.2	0.4
Imports	3.4	0.5

ECONOMIC SENTIMENT

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

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...	Tight, appropriate for the euro area	Tight	Appropriate	Loose	Loose, appropriate for the euro area	
	Adequate	Inadequate				
Consistency between fiscal and monetary policies	yes					