



## Spring 2009 Economic Outlook for Cyprus: Answers from OEB

MAIN FORECAST						
			2008	2009		
Real GDP growth			3.6	2.0		
Consumer price inflation			4.4	2.5		
Unemployment rate			3.9	4.5		
Employment growth			1.8	1.8		
Components of aggregate den	mand					
Components of aggregate den Annual % change	IIaIIU		2008	2009		
Private consumption			6.4	3.2		
Public consumption			6.1	5.5		
Investment (Gross fixed capital f	ormation)		6.3	2.4		
Exports	,		2.6	2.3		
Imports			3.1	2.4		
ECONOMIC SENTIMENT						
ECONOMIC SENTIMENT						
		Positive	Negative	Unchanged		
Trend in business climate over the next 6 months			Industry	-		
			Services			
		Positive	Negative	Unchanged		
Trend in profitability over the next 6 months			Industry			
			Services			
		Increase	Increase	Unchanged	Decrease	Decrease
		(faster pace)	(slower pace)	ononangeu	(slower pace)	(faster pace)
Investment intentions over the	e next 6				Industry	
months					Services	
		B. de		B. 4 4 4		
Duinium farma habita diamantanant		Replacement	Extension	Rationalisation	Innovation	
Driving force behind investme decisions in the next 6 months		Down	Down	Up	Same	
decisions in the next o months	3					
		Industry: past 6	Industry: next 6	Services: past 6	Services: next 6	
		months	months	months	months	
Overall trend in employment		Same		Same		
Overall trend in employment		Same	Down	Same	Down	
Overall trend in employment		Same	Down	Same	Down	
		Same	Down	Same	Down	
ACCESS TO FINANCE		Same	Down	Same	Down	
ACCESS TO FINANCE  Compared to 6 months ago, co	ost/access					
ACCESS TO FINANCE		sharply up / restrained	up / more difficult	same	down / easier	
ACCESS TO FINANCE  Compared to 6 months ago, co	ost/access for SMEs	sharply up / restrained	up / more difficult			
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## POLICY MIX

Given natl. circumstances, are recovery plans appropriate to stimulate the economy?

not enough

Tight, appropriate for the euro area

yes

Appropriate yes

Loose

Loose, appropriate for the euro area

Monetary policy is...

adequate

inadequate

Tight

Consistency between fiscal and monetary policies