


SPRING 2009 ECONOMIC OUTLOOK FOR THE CZECH REPUBLIC: ANSWERS FROM SPCR
MAIN FORECAST

	2008	2009
Real GDP growth	4.4	-1.5
Consumer price inflation	6.4	1.5
Unemployment rate	4.4	5.9
Employment growth	1.7	-0.7

Components of aggregate demand

Annual % change	2008	2009
Private consumption	3.3	-0.3
Public consumption	1.1	0.5
Investment (Gross fixed capital formation)	5.1	-0.2
Exports	5.1	-1.1
Imports	4.5	-0.7

ECONOMIC SENTIMENT

	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>		
Trend in business climate over the next 6 months		Industry Services			
Trend in profitability over the next 6 months	<i>Positive</i>	<i>Negative</i> Industry Services	<i>Unchanged</i>		
Investment intentions over the next 6 months	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>	<i>Decrease (faster pace)</i> Industry Services
Driving force behind investment decisions in the next 6 months	<i>Replacement</i> Up	<i>Extension</i> Down	<i>Rationalisation</i> Up	<i>Innovation</i> Same	
Overall trend in employment	<i>Industry: past 6 months</i> Down	<i>Industry: next 6 months</i> Down	<i>Services: past 6 months</i> Down	<i>Services: next 6 months</i> Down	

ACCESS TO FINANCE

Compared to 6 months ago, cost/access to finance has been...	sharply up / restrained	up / more difficult	same	down / easier
for SMEs	Cost	Access		
for larger companies (>250 employees)	Access	Cost		
Over the next 6 months, cost /access to finance will be...	sharply up / restrained	up / more difficult	same	down / easier
for SMEs			Cost Access	
for larger companies (>250 employees)			Cost Access	
For companies, the current financing situation is...	an existential threat	of high concern	somewhat concerning	not worrying
working capital / treasury needs		SMEs large companies		
debt refinancing		SMEs	large companies	
financing productive investments			SMEs large companies	
financing innovation and R&D			SMEs large companies	



POLICY MIX

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

na

Monetary policy is...

Tight, appropriate for the euro area

Tight

Appropriate
yes

Loose

Loose, appropriate for the euro area

Consistency between fiscal and monetary policies

adequate
yes

inadequate