

SPRING 2009 ECONOMIC OUTLOOK FOR FINLAND: ANSWERS FROM EK

MAIN FORECAST

	2008	2009
Real GDP growth	1.2	-2.5
Consumer price inflation	3.9	1.4
Unemployment rate	6.4	7.8
Employment growth	1.4	-2.5

Components of aggregate demand

Annual % change	2008	2009
Private consumption	1.8	-0.5
Public consumption	1.4	2.0
Investment (Gross fixed capital formation)	2.0	-6.0
Exports	0.5	-7.5
Imports	2.0	-5.0

ECONOMIC SENTIMENT

Trend in business climate over the next 6 months	Positive	Negative	Unchanged Industry Services	
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
Driving force behind investment decisions in the next 6 months	Replacement Up	Extension Down	Rationalisation Up	Innovation Same
Overall trend in employment	Industry: past 6 months Down	Industry: next 6 months Down	Services: past 6 months Same	Services: next 6 months Down

ACCESS TO FINANCE

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



POLICY MIX

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

to some extent

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i> yes	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>					
<i>Consistency between fiscal and monetary policies</i>	<i>adequate</i> yes	<i>inadequate</i>			