

SPRING 2009 ECONOMIC OUTLOOK FOR GERMANY: ANSWERS FROM BDA AND BDI

MAIN FORECAST

	2008	2009
Real GDP growth	1.3	-2.3
Consumer price inflation	2.8	0.8
Unemployment rate	7.1	8.0
Employment growth	1.3	-0.9

Components of aggregate demand

Annual % change	2008	2009
Private consumption	0.0	0.8
Public consumption	2.2	2.1
Investment (Gross fixed capital formation)	4.4	-5.2
Exports	3.9	-6.1
Imports	5.0	-2.4

ECONOMIC SENTIMENT

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

ACCESS TO FINANCE

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

to a large extent

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i> yes	<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>			