



SPRING 2009 ECONOMIC OUTLOOK FOR LATVIA: ANSWERS FROM LDDK

MAIN FORECAST						
Real GDP growth		2008	2009			
Consumer price inflation			-2.0 15.5	-8.1 5.1		
Unemployment rate			6.7	11.1		
Employment growth			na	na		
Components of aggregate de	mand		2000	2000		
Annual % change Private consumption			2008 -6.3	2009 -9.0		
Public consumption			1.0	-9.0 -4.0		
Investment (Gross fixed capital	formation)		na	na		
Exports			4.5	-4.5		
Imports			-6.1	-10.1		
ECONOMIC SENTIMENT						
		Da aitina	M	Unahammad		
Trend in business climate over the next 6 months		Positive	Negative Industry	Unchanged		
			Services			
			00111000			
		Positive	Negative	Unchanged		
Trend in profitability over the next 6			Industry			
months			Services			
						B
		Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)
Investment intentions over th	e next 6	(laster pace)	(Slower pace)		(Slower pace)	Industry
months						Services
						00.11000
		Replacement	Extension	Rationalisation	Innovation	
Driving force behind investme decisions in the next 6 month		Up	Down	Up	Up	
decisions in the next 6 month	is	•		·	·	
		Industry: past 6	Industry: next 6	Services: past 6	Services: next 6	
		months	months	months .	months	
Overall trend in employment						
Overall trend in employment		Down	Same	Down	Down	
Overall trend in employment		Down	Same	Down	Down	
ACCESS TO FINANCE		Down	Same	Down	Down	
	cost/access	Down	Same	Down	Down	
ACCESS TO FINANCE	cost/access	Down sharply up / restrained	Same up / more difficult	Down	Down down / easier	
ACCESS TO FINANCE Compared to 6 months ago, of	cost/access for SMEs					
ACCESS TO FINANCE Compared to 6 months ago, of			up / more difficult			
ACCESS TO FINANCE Compared to 6 months ago, of to finance has been	for SMEs	sharply up / restrained	up / more difficult Cost			
ACCESS TO FINANCE Compared to 6 months ago, of	for SMEs	sharply up / restrained	up / more difficult			
ACCESS TO FINANCE Compared to 6 months ago, of to finance has been	for SMEs	sharply up / restrained Access	up / more difficult Cost			
ACCESS TO FINANCE Compared to 6 months ago, of to finance has been for larger companies (>250	for SMEs employees)	sharply up / restrained Access	up / more difficult Cost			
ACCESS TO FINANCE Compared to 6 months ago, of to finance has been for larger companies (>250 Over the next 6 months, cost	for SMEs employees)	sharply up / restrained Access Access	up / more difficult Cost Cost	same	down / easier	
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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

Tight

Appropriate yes Loose

Loose, appropriate for the euro area

Monetary policy is...

Consistency between fiscal and monetary policies

adequate

inadequate

yes