



## Spring 2009 Economic Outlook for Luxembourg: Answers from FEDIL

MAIN FORECAST						
			2008	2009		
Real GDP growth			1.0	-0.9		
Consumer price inflation			4.1	0.6		
Unemployment rate			4.1	4.9		
Employment growth			4.8	1.8		
Components of aggregate der	mand					
Annual % change	ilaliu		2008	2009		
Private consumption			1.8	1.5		
Public consumption			4.5	3.0		
Investment (Gross fixed capital f	formation)		-2.3	-4.4		
Exports			1.3	-1.6		
Imports	Imports		1.4	-1.5		
ECONOMIC SENTIMENT						
Trend in business climate over the next 6 months		Positive	Negative	Unchanged		
			Industry			
			Services			
		Docitivo	Monativa	Unahangad		
Toward in sometisch iller accountly account C		Positive	Negative	Unchanged		
months	Trend in profitability over the next 6		Industry			
monuis			Services			
			Increase		Decrease	Decrease
		Increase (faster pace)	(slower pace)	Unchanged	(slower pace)	(faster pace)
Investment intentions over the	e next 6		(**************************************		, , , , ,	Industry
months			Services			•
		Replacement	Extension	Rationalisation	Innovation	
	Driving force behind investment		Down	Same	Up	
decisions in the next 6 months	S	Same				
		Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months	
Overall trend in employment						
Overall trend in employment		Same	Down	Up	Down	
Overall trend in employment		Same	Down	Up	Down	
		Same	Down	Up	Down	
Overall trend in employment  ACCESS TO FINANCE		Same	Down	Up	Down	
ACCESS TO FINANCE  Compared to 6 months ago, co	ost/access					
ACCESS TO FINANCE		Same sharply up / restrained	up / more difficult	Up same	Down  down / easier	
ACCESS TO FINANCE  Compared to 6 months ago, co	ost/access for SMEs			same		
ACCESS TO FINANCE  Compared to 6 months ago, co			up / more difficult			
ACCESS TO FINANCE  Compared to 6 months ago, co to finance has been	for SMEs		<b>up / more difficult</b> Cost	same		
ACCESS TO FINANCE  Compared to 6 months ago, co	for SMEs		up / more difficult	same		
ACCESS TO FINANCE  Compared to 6 months ago, co to finance has been	for SMEs		up / more difficult Cost Cost	same		
ACCESS TO FINANCE  Compared to 6 months ago, co to finance has been  for larger companies (>250	for SMEs employees)		up / more difficult Cost Cost	same		
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POLICY MIX

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

to a large extent

Tight, appropriate for the euro area

yes

Tight Appropriate yes

Loose, appropriate for Loose the euro area

Monetary policy is...

adequate inadequate

Consistency between fiscal and monetary policies