


AUTUMN 2009 ECONOMIC OUTLOOK FOR THE CZECH REPUBLIC: ANSWERS FROM SPCR

MAIN FORECAST					
Real GDP growth		2009	2010		
Consumer price inflation		-4.5	0.5		
Unemployment rate		1.1	0.9		
Employment growth		8.5	9.5		
		-1.9	-1.8		
Components of aggregate demand					
Annual % change		2009	2010		
Private consumption		0.9	0.7		
Public consumption		1.5	0.5		
Investment (Gross fixed capital formation)		-5.7	-1.5		
Exports		-11.0	-1.9		
Imports		-10.0	-2.1		
ECONOMIC SENTIMENT					
		Positive	Negative	Unchanged	
Trend in business climate over the next 6 months			Industry		
			Services		
		Positive	Negative	Unchanged	
Trend in profitability over the next 6 months			Industry		
			Services		
		Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)
Investment intentions over the next 6 months			Industry		Decrease (faster pace)
			Services		
		Fall in global demand	Cost of finance	Availability of finance	
Influence on companies' investment decisions		negative	negative	negative	
		Replacement	Extension	Rationalisation	Innovation
Driving force behind investment decisions in the next 6 months		neutral	neutral	important	important
		Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months
Overall trend in employment		Down	Down	Down	Down
ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH					
Compared to 6 months ago, cost/access to finance has been...	sharply up / restrained	up / more difficult	same	down / easier	
					<i>for SMEs</i>
		Cost			
		Access			
<i>for larger companies (>250 employees)</i>		Cost			
		Access			
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...	threat to company existence	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			
Based on measures taken at national and EU level, the crisis will lead to...	a loss in the level of potential output to be recouped entirely in the medium term				



POLICY MIX					
	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>				yes	
	<i>adequate</i>	<i>inadequate</i>			
<i>Consistency between fiscal and monetary policies</i>	yes				
	<i>excellent commitment</i>	<i>satisfactory commitment</i>	<i>neither satisfactory nor unsatisfactory commitment</i>	<i>unsatisfactory commitment</i>	<i>no clear commitment creating an extremely worrying situation</i>
<i>Regarding the sustainability of public finances, government shows ...</i>			yes		
	<i>respect the 3% limit</i>	<i>be in balance</i>			
<i>In 2015, the government deficit will...</i>	yes	no			