



FEBRUARY 2010 ECONOMIC OUTLOOK FOR THE UNITED KINGDOM: ANSWERS FROM CBI

MAIN FORECAST					
		2009	2010		
Real GDP growth		-4.5	1.2		
Consumer price inflation		2.1	2.3		
Unemployment rate		7.8	8.7		
Employment growth		0.0	-0.9		
Components of aggregate demand - in re	al terms				
Annual % change		2009	2010		
Private consumption		-3.1	0.4		
Public consumption		2.0	1.2		
Investment (Gross fixed capital formation)		-14.0	-3.7		
Exports		-10.9	1.9		
Imports		-12.2	2.0		
imports		-12.2	2.0		
ECONOMIC SENTIMENT					
	Donitivo	Monotivo	Unchanged		
Trond in business aliments are the second	Positive	Negative	Unchanged		
Trend in business climate over the next	Industry				
6 months		Services			
	Positive	Negative	Unchanged		
Trend in profitability over the next 6			Industry		
months		Services	industry		
	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)
Investment intentions over the next 6	(laster pace)	(Gower pace)	Industry	(Siower pace)	(raster pace)
months			industry	Services	
				OO! WOOG	
	Global demand	Domestic demand	Cost of finance	Availability of finance	
Influence on companies' investment					
decisions	negative	negative	negative	negative	
	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment					
		noutral	pocitivo	noutral	
decisions in the next 6 months	positive	neutral	positive	neutral	
	·		·		
	Industry: past 6	Industry: next 6	Services: past 6	Services: next 6	
decisions in the next 6 months	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months	
	Industry: past 6	Industry: next 6	Services: past 6	Services: next 6	
decisions in the next 6 months	Industry: past 6 months Down	Industry: next 6 months Down	Services: past 6 months	Services: next 6 months	
decisions in the next 6 months Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T	Industry: past 6 months Down THE CRISIS ON POTEN	Industry: next 6 months Down	Services: past 6 months	Services: next 6 months	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago,	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down	Services: past 6 months Down	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been	Industry: past 6 months Down THE CRISIS ON POTEN	Industry: next 6 months Down TIAL GROWTH up / more difficult	Services: past 6 months	Services: next 6 months	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago,	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down	Services: past 6 months Down	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down TIAL GROWTH up / more difficult	Services: past 6 months Down	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost	Services: past 6 months Down	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost	Services: past 6 months Down	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost	Services: past 6 months Down	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost	Services: past 6 months Down same	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost	Services: past 6 months Down same	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up /	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost	Services: past 6 months Down same	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees)	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost	Services: past 6 months Down same	Services: next 6 months Same	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down same Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down same Cost Access same Cost	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down same Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down Same Cost Access Same Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down same Cost Access same Cost Access Cost	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down Same Cost Access Same Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down same Cost Access same Cost Access Cost	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access	Services: past 6 months Down same Cost Access same Cost Access Cost	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs debt refinancing	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs debt refinancing	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs debt refinancing	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF T Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs debt refinancing financing productive investments	Industry: past 6 months Down THE CRISIS ON POTEN sharply up / restrained sharply up / restrained	Industry: next 6 months Down TIAL GROWTH up / more difficult Cost Access up / more difficult	Services: past 6 months Down Same Cost Access Same Cost Access Cost Access	Services: next 6 months Same down / easier	





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