



FEBRUARY 2010 ECONOMIC OUTLOOK FOR ESTONIA: ANSWERS FROM ETTK

MAIN FORECAST					
		2009	2010		
Real GDP growth		-15.0	1.0		
Consumer price inflation		-0.1	-0.3		
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Unemployment rate		15.5	18.0		
Employment growth		-9.0	-4.0		
	• .				
Components of aggregate demand - in r	eal terms				
Annual % change		2009	2010		
Private consumption		19.0	-4.0		
Public consumption		-3.0	-3.5		
Investment (Gross fixed capital formation)		-35.0	-2.0		
Exports		-25.0	4.0		
Imports		-34.0	-3.0		
imports		-34.0	-3.0		
ECONOMIC SENTIMENT					
	Positive	Negative	Unchanged		
Trend in business climate over the next	Industry	g	g		
	•				
6 months	Services				
	Positive	Negative	Unchanged		
Trend in profitability over the next 6			Industry		
months					
			Services		
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	Increase	Increase	Unchanged	Decrease	Decrease
	(faster pace)	(slower pace)		(slower pace)	(faster pace)
Investment intentions over the next 6			Industry		
months			Services		
	Global demand	Domestic demand	Cost of finance	Availability of finance	
				-	
Influence on companies' investment	positive	negative	positive	neutral	
decisions	· .		· ·		
	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment					
	Replacement negative	Extension negative	Rationalisation neutral	neutral	
	negative	negative	neutral	neutral	
Driving force behind investment decisions in the next 6 months	negative Industry: past 6	negative Industry: next 6	neutral Services: past 6	neutral Services: next 6	
decisions in the next 6 months	negative Industry: past 6 months	negative Industry: next 6 months	neutral Services: past 6 months	neutral Services: next 6 months	
	negative Industry: past 6	negative Industry: next 6	neutral Services: past 6	neutral Services: next 6	
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POLICY MIX					
	Tight, appropriate for the euro area	Tight	Appropriate	Loose	Loose, appropriate fo the euro area
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 committmen creating an extremely worrying situation
Regarding the sustainability of public finances, government shows		yes			
	roopoot the 20/ limit	be in balance			
In 2015, the government deficit will	respect the 3% limit yes	yes			