



FEBRUARY 2010 ECONOMIC OUTLOOK FOR ESTONIA: ANSWERS FROM ETTK

MAIN FORECAST					
Real GDP growth		2009	2010		
Consumer price inflation		-15.0	1.0		
Unemployment rate		-0.1	-0.3		
Employment growth		15.5	18.0		
		-9.0	-4.0		
Components of aggregate demand - in real 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		
ECONOMIC SENTIMENT					
		<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>	
Trend in business climate over the next 6 months	Industry				
	Services				
		<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>	
Trend in profitability over the next 6 months	Industry				
	Services				
		<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>
Investment intentions over the next 6 months	Industry				<i>Decrease (faster pace)</i>
	Services				
		<i>Global demand</i>	<i>Domestic demand</i>	<i>Cost of finance</i>	<i>Availability of finance</i>
Influence on companies' investment decisions	positive	negative	positive	neutral	
		<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>
Driving force behind investment decisions in the next 6 months	negative	negative	neutral	neutral	
		<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>
Overall trend in employment	Up	Same	Down	Same	
ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH					
Compared to 6 months ago, cost/access to finance has been...	for SMEs	sharply up / restrained	up / more difficult	same	down / easier
				Cost	Access
	for larger companies (>250 employees)			Cost	Access
Over the next 6 months, cost /access to finance will be...	for SMEs	sharply up / restrained	up / more difficult	same	down / easier
				Cost	Access
	for larger companies (>250 employees)			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		

POLICY MIX					
	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i> yes	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>					
	<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	yes			