



FEBRUARY 2010 ECONOMIC OUTLOOK FOR THE CZECH REPUBLIC: ANSWERS FROM SPCR

MAIN FORECAST					
WAIN FORECAS I		0000	2040		
D. 1000		2009	2010		
Real GDP growth		-5.0	0.5		
Consumer price inflation		0.9	1.5		
Unemployment rate		6.5	8.4		
Employment growth		-1.3	-1.9		
, , ,					
Components of aggregate demand - in r	eal terms				
Annual % change	Car termo	2009	2010		
Private consumption		0.7	-1.3		
Public consumption		2.0	-1.0		
Investment (Gross fixed capital formation)		-7.8	-3.9		
Exports		-16.5	-1.2		
Imports		-18.7	-2.7		
ECONOMIC SENTIMENT					
	Positive	Negative	Unchanged		
Trend in business climate over the next	700070	reguare			
			Industry		
6 months		Services			
	Positive	Negative	Unchanged		
Trend in profitability over the next 6		Industry			
months					
monuis		Services			
	Increase	Increase	Ilpahans:	Decrease	Decrease
	(faster pace)	(slower pace)	Unchanged	(slower pace)	(faster pace)
Investment intentions over the next 6	(s.c. pace)	(2.2.10. pubb)			(o.o. paoo)
months				Industry	
montns				Services	
	Olahal damand	D	0	Assailabilits of finance	
	Global demand	Domestic demand	Cost of finance	Availability of finance	
Influence on companies' investment					
decisions	negative	negative	negative	negative	
decisions					
	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment	neutral	no	positive	positive	
decisions in the next 6 months	rieutrai	na	positive	positive	
	In alcontinue in a set C		Services: past 6	Services: next 6	
	Industry: past 6	Industry: next 6			
0	months	months	months	months	
Overall trend in employment					
· ·	months Down	months Down	months	months	
· ·	months Down	months Down	months	months	
· ·	months Down THE CRISIS ON POTEN	months Down	months	months	
· ·	months Down	months Down	months	months	
ACCESS TO FINANCE AND IMPACT OF	months Down THE CRISIS ON POTEN	months Down	months	months	
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POLICY MIX			,		•
	Tight, appropriate for				Loose, appropriate for
	the euro area	Tight	Appropriate	Loose	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 committment creating an extremely worrying situation
Regarding the sustainability of public finances, government shows					yes
	respect the 3% limit	be in balance			
In 2015, the government deficit will	yes	no			