



## FEBRUARY 2010 ECONOMIC OUTLOOK FOR LUXEMBOURG: ANSWERS FROM FEDIL

MAIN FORECAST					
		<b>2009</b>	<b>2010</b>		
Real GDP growth		-3.9	2.1		
Consumer price inflation		0.0	1.8		
Unemployment rate		6.0	7.0		
Employment growth		1.1	-1.3		
<b>Components of aggregate demand - in real terms</b>					
<i>Annual % change</i>		<b>2009</b>	<b>2010</b>		
Private consumption		0.2	0.8		
Public consumption		4.6	2.0		
Investment (Gross fixed capital formation)		-14.8	0.3		
Exports		-10.0	1.8		
Imports		-11.5	1.9		
ECONOMIC SENTIMENT					
	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
<b>Trend in business climate over the next 6 months</b>	Industry				
	Services				
	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>		
<b>Trend in profitability over the next 6 months</b>	Industry				
	Services				
	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>
<b>Investment intentions over the next 6 months</b>	Industry				
	Services				
	<b>Global demand</b>	<b>Domestic demand</b>	<b>Cost of finance</b>	<b>Availability of finance</b>	
<b>Influence on companies' investment decisions</b>	na	na	na	na	
	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>	
<b>Driving force behind investment decisions in the next 6 months</b>	neutral	negative	positive	positive	
	<b>Industry: past 6 months</b>	<b>Industry: next 6 months</b>	<b>Services: past 6 months</b>	<b>Services: next 6 months</b>	
<b>Overall trend in employment</b>	Down	Down	Down	Down	
ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH					
<b>Compared to 6 months ago, cost/access to finance has been...</b> <i>for SMEs</i>	<b>sharply up / restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>	
		Access	Cost		
<i>for larger companies (&gt;250 employees)</i>		Access	Cost		
		Access			
<b>Over the next 6 months, cost /access to finance will be...</b> <i>for SMEs</i>	<b>sharply up / restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>	
		Cost	Access		
<i>for larger companies (&gt;250 employees)</i>		Cost	Access		
		Access			
<b>For companies, the current financing situation is...</b>	<b>threat to company existence</b>	<b>of high concern</b>	<b>somewhat concerning</b>	<b>not worrying</b>	
<b>working capital / treasury needs</b>			SMEs large companies		
<b>debt refinancing</b>			large companies	SMEs	
<b>financing productive investments</b>			SMEs large companies		
<b>financing innovation and R&amp;D</b>				SMEs large companies	

<b>POLICY MIX</b>					
	<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>	no	no			