


JUNE 2010 ECONOMIC OUTLOOK FOR BELGIUM: ANSWERS FROM FEB-VBO

| MAIN FORECAST | | | | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|
| <i>Annual % change</i> | | 2010 | 2011 | | | |
| Real GDP growth | | 1,2 | 1,4 | | | |
| Consumer price inflation | | 2,0 | n/a | | | |
| Unemployment rate | | 9,0 | n/a | | | |
| Employment growth | | -1,4 | n/a | | | |
| government net lending (% of GDP) | | -5,4 | n/a | | | |
| gross public debt (% of GDP) | | 102,0 | n/a | | | |
| current account balance (% of GDP) | | 0,5 | n/a | | | |
| Components of aggregate demand - in real terms | | | | | | |
| <i>Annual % change</i> | | 2010 | 2011 | | | |
| Private consumption | | 0,8 | n/a | | | |
| Public consumption | | 1,1 | n/a | | | |
| Private non-residential investment | | -0,9 | n/a | | | |
| Exports | | 3,0 | n/a | | | |
| Imports | | 2,7 | n/a | | | |
| ECONOMIC SENTIMENT | | | | | | |
| | Positive | Negative | Unchanged | | | |
| Trend in business climate over the next 6 months | Industry | | | | | |
| | Services | | | | | |
| | Positive | Negative | Unchanged | | | |
| Trend in profitability over the next 6 months | Industry | | | | | |
| | Services | | | | | |
| | Global demand | Domestic demand | Cost of finance | Availability of finance | Company Profitability | Capacity Utilisation |
| Influence on companies' investment decisions | neutral | neutral | negative | negative | neutral | negative |
| | Replacement | Extension | Rationalisation | Innovation | | |
| Companies' most important investment needs | neutral | negative | positive | neutral | | |
| | Industry: past 6 months | Industry: next 6 months | Services: past 6 months | Services: next 6 months | | |
| Overall trend in employment | Down | Same | Down | Same | | |



| POLICY MIX | | | | | |
|--|---|--------------------------------|---|----------------------------------|---|
| | <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>excessive focus</i> | <i>sufficient focus</i> | <i>neither satisfactory nor insufficient focus</i> | <i>insufficient focus</i> | <i>so far ignored</i> |
| <i>Exit Strategies</i> | | | | | |
| <i>Tight fiscal rules and more effective institutions</i> | | | | yes | |
| <i>Greater efficiency of public administrations</i> | | | | yes | |
| <i>Credible cost-cutting measures</i> | | | | yes | |
| <i>Increased scope of public-private partnerships</i> | | | yes | | |
| <i>Reform of pension systems</i> | | | | yes | |
| <i>Improved efficiency of healthcare sector</i> | | | | yes | |
| | <i>excessive focus</i> | <i>sufficient focus</i> | <i>neither satisfactory nor insufficient focus</i> | <i>insufficient focus</i> | <i>so far ignored</i> |
| <i>Entry Strategies</i> | | | | | |
| <i>More and better-targeted education and training</i> | | | yes | | |
| <i>More and better targeted R&D and innovation efforts</i> | | yes | | | |
| <i>Prioritisation of infrastructure investments</i> | | | yes | | |
| <i>Growth enhancing tax reforms</i> | | | | | yes |
| | <i>respect the 3% limit</i> | <i>be in balance</i> | | | |
| <i>In 2015, the government deficit will...</i> | yes | no | | | |

| ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH | | | | |
|---|--------------------------------|----------------------------|-------------|----------------------|
| Compared to 6 months ago, cost/access to finance has been... | | | | |
| <i>for SMEs</i> | sharply up / restrained | up / more difficult | same | down / easier |
| | | | | Cost |
| | | | | Access |
| <i>for larger companies (>250 employees)</i> | | | | Cost |
| | | | | Access |
| | | | | |
| Over the next 6 months, cost /access to finance will be... | | | | |
| <i>for SMEs</i> | sharply up / restrained | up / more difficult | same | down / easier |
| | | | Cost | |
| | | | Access | |
| <i>for larger companies (>250 employees)</i> | | | Cost | |
| | | | Access | |