



JUNE 2010 ECONOMIC OUTLOOK FOR FRANCE: ANSWERS FROM MEDEF

MAIN FORECAST						
<i>Annual % change</i>		2010	2011			
Real GDP growth		1,7	1,4			
Consumer price inflation		1,2	1,0			
Unemployment rate		9,9	10,0			
Employment growth		-1,1	0,2			
government net lending (% of GDP)		-7,8	-6,9			
gross public debt (% of GDP)		83,1	87,9			
current account balance (% of GDP)		-2,1	-2,2			
Components of aggregate demand - in real terms						
<i>Annual % change</i>		2010	2011			
Private consumption		0,9	0,8			
Public consumption		2,2	1,5			
Private non-residential investment		-0,8	2,5			
Exports		4,5	5,0			
Imports		4,3	4,5			
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	negative	na	na	negative	negative	negative
	Replacement	Extension	Rationalisation	Innovation		
Driving force behind investment decisions in the next 6 months	neutral	negative	positive	positive		
	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months		
Overall trend in employment	Down	Down	Down	Same		



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

ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

Compared to 6 months ago, cost/access to finance has been...	sharply up / restrained	up / more difficult	same	down / easier
<i>for SMEs</i>			Cost	
			Access	
<i>for larger companies (>250 employees)</i>			Cost	
			Access	
Over the next 6 months, cost /access to finance will be...	sharply up / restrained	up / more difficult	same	down / easier
<i>for SMEs</i>			Cost	
			Access	
<i>for larger companies (>250 employees)</i>			Cost	
			Access	