



## JUNE 2012 ECONOMIC OUTLOOK FOR THE CZECH REPUBLIC: ANSWERS FROM SPCR

### MAIN FORECAST

Annual % change	2012	2013
Real GDP growth	0,3	1,1
Consumer price inflation	3,4	2,3
Unemployment rate	6,7	6,6
Employment growth	-0,1	0,0
government net lending (% of GDP)	-2,9	-2,0
gross public debt (% of GDP)	44,0	45,0
current account balance (% of GDP)	-2,7	-2,4

### Components of aggregate demand - in real terms

Annual % change		
Private consumption	-0,3	0,2
Public consumption	-2,8	-0,5
Investment (Gross Fixed Capital Formation)	1,0	1,8
Private non-residential investment	2,0	2,3
Exports	9,2	7,5
Imports	8,5	7,0

### ECONOMIC SENTIMENT

	Positive	Negative	Unchanged			
<b>Trend in business climate over the next 6 months</b>	Industry		Services			
<b>Trend in profitability over the next 6 months</b>			Industry			
			Services			
<b>Investment intentions over the next 6 months</b>	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)	
		Industry	Services			
<b>Influence on companies' investment decisions</b>	Global demand	Domestic demand	Cost of finance	Availability of finance	Company Profitability	Capacity Utilisation
	positive	negative	neutral	neutral	negative	positive
<b>Driving force behind investment decisions in the next 6 months</b>	Replacement	Extension	Rationalisation	Innovation		
	positive	neutral	positive	positive		
<b>Overall trend in employment</b>	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months		
	Down	Same	Down	Same		

## ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

<b>Compared to 6 months ago, cost/access to finance has been...</b>	<b>sharply up /</b>	<b>restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>
<i>for SMEs</i>				Demand for finance Cost Access	
<i>for larger companies (&gt;250 employees)</i>				Demand for finance Cost Access	

<b>Compared to 6 months ago, cost/access to finance has been...</b>	<b>sharply up /</b>	<b>restrained</b>	<b>up / more difficult</b>	<b>same</b>	<b>down / easier</b>
<i>for SMEs</i>				Demand for finance Cost Access	
<i>for larger companies (&gt;250 employees)</i>				Demand for finance Cost Access	

	<b><i>Investment</i></b>	<b><i>Inventories and working capital</i></b>	<b><i>Internal Financing</i></b>	<b><i>Issuance of debt securities</i></b>	<b><i>Economic Outlook</i></b>	
<b><i>Factors contributing to the demand of bank lending</i></b>	Negative effect	Neutral effect	Negative effect	Neutral effect	Negative effect	
	<b><i>Bank's capital position</i></b>	<b><i>Bank's liquidity position</i></b>	<b><i>Access to market financing</i></b>	<b><i>Financial Regulation</i></b>	<b><i>Economic Outlook</i></b>	<b><i>ECB Long term refinancing operations</i></b>
<b><i>Factors contributing to the supply of bank lending</i></b>	Very positive effect	Very positive effect	Neutral effect	Neutral effect	Negative effect	Neutral effect