

JUNE 2012 ECONOMIC OUTLOOK FOR FINLAND: ANSWERS FROM EK

MAIN FORECAST

Annual % change	2012	2013
Real GDP growth	0,9	2,6
Consumer price inflation	2,7	1,8
Unemployment rate	7,7	7,3
Employment growth	0,0	0,6
government net lending (% of GDP)	-0,7	-0,4
gross public debt (% of GDP)	51,4	52,7
current account balance (% of GDP)	-1,2	-0,6

Components of aggregate demand - in real terms

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

ECONOMIC SENTIMENT

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

ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

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

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