



JUNE 2012 ECONOMIC OUTLOOK FOR FRANCE: ANSWERS FROM MEDEF

MAIN FORECAST

	2012	2013
Annual % change		
Real GDP growth	0,6	1,4
Consumer price inflation	1,9	2,0
Unemployment rate	9,8	9,8
Employment growth	-0,1	0,4
government net lending (% of GDP)	-4,5	-3,8
gross public debt (% of GDP)	88,1	89,1
current account balance (% of GDP)	1,7	-1,5

Components of aggregate demand - in real terms

Annual % change		
Private consumption	0,3	0,8
Public consumption	0,6	0,3
Investment (Gross Fixed Capital Formation)	2,0	2,7
Private non-residential investment	2,3	4,7
Exports	2,7	6,0
Imports	0,3	5,4

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	

	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)
Investment intentions 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	na	na	neutral	na	negative	neutral

	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	Up	Same



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
				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	Very 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	Neutral effect	Neutral effect	Neutral effect	Negative effect	Neutral effect