



## JUNE 2012 ECONOMIC OUTLOOK FOR ESTONIA: ANSWERS FROM ETTK

Annual % change   2012   2013	MAIN FORECAST						
Consumer price inflation 2,9 3,4 Unemployment rate 10,4 10,0 Employment growth 1,8 1,8 0,0 0,0 0,0 0,0 gross public debt (% of GDP) 0,1 1,8  Components of aggregate demand - in real terms Annual % change Protein consumption 2,5 3,5 1,8 Public consumption 3,5 Public consumption 3,5 1,8 Public consumption 3,5 1,8 Public consumption 4,0 Public			2012	2013			
Unemplyment rate Employment growth 1.8 1.8 government net lending (% of GDP) 0.0 0.0 0.0 government net lending (% of GDP) 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1	Real GDP growth		1,8	3,2			
Employment growth 1,8 1,8 1,8 1,8 1,8 1,8 1,8 1,8 1,8 1,8	Consumer price inflation		2,9	3,4			
government net lending (% of GDP) 0.0 0.0 courses a count belance (% of GDP) 0.1 0.1 0.1 courses a count belance (% of GDP) 0.1 1.8 0.1 0.1 courses a count belance (% of GDP) 0.1 1.8 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1	Unemployment rate		10,4	10,0			
gross public debt (% of GDP) 2.1 1,8  Components of aggregate demand - in real terms  Annual % change Phase consumption 2.5 3.5 1.8  Phase consumption 3.5 1.8  Phase consumption 6.0 6.0  Phase consumption 2.0 4.0  Imports 1.3,5 2.0  Elports 2.0 4.0  Imports 1.3,3 5.0  ECONOMIC SENTIMENT  Fostitive Negative Industry Industry Trend in profitability over the next 6  months  Increase (faster pace) Increase (faster pace) Increase (faster pace) Increase (faster pace) Increase Increase (faster pace) Increase	Employment growth		1,8	1,8			
Components of aggregate demand - in real terms Annual % change Pinate consumption 2,5 3,5 Pinate consumption 3,5 1,8 Investment (Gross Fited Capital Formation) 6,0 6,0 Finote non-residential investment 1,0 2,0 4,0 Imports 2,0 4,0 Imports 3,3 5,0   ECONOMIC SENTIMENT  Positive Negative Increase Increase (Inster pace) Increase (Iaster pace) Increase (Increase) Increase (Iaster pace) Increa	government net lending (% of GDP)		0,0	0,0			
Components of aggregate demand - in real terms Annual % change Phetie consumption Public consumption Restrict (Gross Filed Capital Formation) Restrict (Gross Filed Capital For	gross public debt (% of GDP)		0,1	0,1			
Annual % change  Private consumption 2,5 3,5 1,8 Investment (Gross Fited Capital Formation) 3,5 1,8 Investment (Gross Fited Capital Formation) 3,5 2,0 Etpots 2,0 4,0 Imports  ECONOMIC SENTIMENT  Positive Negative Industry 6 months  Positive or Negative Industry Senices  Increase (Isaser pace) Investment intentions over the next 6 months  Global demand Domestic demand Domestic demand Cost of finance Availability of finance Availability of finance Company Profitability Capacity Utilisatic Influence on companies' investment negative neutral Negative Industry Senices  Replacement Extension Rationalisation Innovation Driving force behind investment decisions in the next 6 months  Industry: past 6 months Novitive: past 6 months	current account balance (% of GDP)		2,1	1,8			
Prisete consumption 2,5 3,5   1,8   Investment (Gross Filed Capital Formation) 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0	Components of aggregate demand - in rea	al terms					
Public consumption Mestment (Gross Fired Capital Formation) 6,0 6,0 6,0 6,0 6,0 Fired non-residential investment 2,0 4,0 Minports  ECONOMIC SENTIMENT  Positive Negative Industry Services  Positive Negative Industry Services  Increase (faster pace) Investment intentions over the next 6 months  Global demand Domestic demand Cost of finance Influence on companies' investment decisions in the next 6 months  Replacement Replacement Replacement Replacement Replacement Petters Industry: next 6 months Replacement Replacement Neutral Neu	Annual % change						
Investment (Gross Filed Capital Formation) Private non-residential investment 1 3,5 2.0 El ports 2,0 4,0 Imports 1 3,3 5.0 El ports 2,0 4,0 Imports  ECONOMIC SENTIMENT  Positive Negative Unchanged Industry 6 months Positive Negative Unchanged Industry Services  Positive Negative Unchanged Industry Services  Increase (faster pace) (slower pace) Increase (faster pace) Increase (faster pace) Increase (faster pace) Increase (slower pace) Industry Services  Global demand Domestic demand Cost of finance Availability of finance Company Profitability Capacity Utilisatic Influence on companies' investment negative neutral positive neutral neutral neutral positive Industry Increase (slower pace) Increase (slower	Private consumption		2,5	3,5			
Private non-residential investment Extension 1	Public consumption		3,5	1,8			
Private non-residential investment Extension 1				6,0			
Eports 3,3 5,0  ECONOMIC SENTIMENT  Positive Negative Unchanged Industry Services  Positive Negative Unchanged Industry Services  Positive Negative Unchanged Industry Services  Increase (faster pace) (slower pace) (slower pace) (slower pace) (slower pace) (faster pace			3,5	2.0			
Positive Negative Unchanged Industry Services  Increase Increase (Increase	E1ports			4,0			
Trend in business climate over the next 6 months  Positive Negative Industry Services  Positive Negative Industry Services  Positive Negative Inchanged Industry Services  Increase (faster pace) Increase (faster pace) Increase (faster pace) Increase (slower pace) Industry Services  Increase (slower pace) Increase (slower pace) Industry Services  Increase (slower pace) Industry Services  Increase (slower pace) Industry Services  Increase (slower pace) Industry Services Increase (slower pace) Industry Services Increase (slower pace) Increase (slower pace) Increase (slower pace) Industry Services  Increase (slower pace) Increase	Imports		3,3	5,0			
Trend in business climate over the next 6 months  Positive Negative Industry Services  Positive Negative Industry Services  Positive Negative Inchanged Industry Services  Increase (faster pace) Increase (faster pace) Increase (faster pace) Increase (faster pace) Industry Services  Increase (faster pace) Increase (faster pace) Industry Services  Increase (faster pace) Incr	ECONOMIC SENTIMENT						
Trend in business climate over the next 6 months  Positive Negative Unchanged Trend in profitability over the next 6 Industry  Services  Increase (faster pace) Increase (faster pace) Investment intentions over the next 6 Industry  Services  Increase (faster pace) Investment intentions over the next 6 Industry Services  Global demand Domestic demand Cost of finance Availability of finance Company Profitability Capacity Utilisatic Influence on companies' investment negative neutral positive neutral neutral neutral neutral  Priving force behind investment decisions in the next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months							
Fositive Negative Unchanged Industry  Services  Increase (faster pace) Increase (slower pace) Industry  Services  Increase (faster pace) Industry  Services  Global demand Domestic demand Cost of finance Availability of finance Company Profitability Capacity Utilisation Influence on companies' investment decisions  Replacement Extension Rationalisation Innovation  Driving force behind investment decisions in the next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months  Replacement Butters Industry: next 6 Services: past 6 Services: next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months		Positive	Negative	_			
Positive Negative Unchanged Industry Services  Increase (faster pace) Increase (slower pace) Unchanged (slower pace) Industry Services  Increase (faster pace) Unchanged (slower pace) Industry Services  Global demand Domestic demand Cost of finance Availability of finance Company Profitability Capacity Utilisation Influence on companies' investment decisions  Replacement Extension Rationalisation Innovation Driving force behind investment decisions in the next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months months months months months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months	Trend in business climate over the next			Industry			
Trend in profitability over the next 6 months    Increase (faster pace)   Increase (slower pace)   Unchanged (slower pace)   Industry (services   Industry (	6 months			Services			
Trend in profitability over the next 6 months    Increase (faster pace)   Increase (slower pace)   Increase (slower pace)   Increase (slower pace)   Industry (services   Increase (slower pace)   Industry (services   Ind		Positivo	Monativo	Unahangad			
months    Increase (faster pace)   Increase (slower pace)   Unchanged (slower pace)   Industry (services)		rositive	•	Unchanged			
Increase (faster pace)	· · · · · ·		Industry				
Investment intentions over the next 6 Industry Services  Global demand Domestic demand Cost of finance Availability of finance Company Profitability Capacity Utilisation Influence on companies' investment decisions  Replacement Extension Rationalisation Innovation  Driving force behind investment decisions in the next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months  months  Modustry: past 6 Industry: next 6 Services: past 6 Services: next 6 months  months  months  Modustry: next 6 Services: past 6 Services: next 6 months	months			Services			
Investment intentions over the next 6 Industry months  Global demand Domestic demand Cost of finance Influence on companies' investment decisions  Replacement Driving force behind investment decisions in the next 6 months  Industry: past 6 months Industry: past 6 months Industry: next 6 Industry:				Unchanged			
Services		(taster pace)	(slower pace)	ŭ	(slower pace)	(taster pace)	
Global demand   Domestic demand   Cost of finance   Availability of finance   Company Profitability   Capacity Utilisation				Industry			
Influence on companies' investment decisions  Replacement Extension Rationalisation Innovation  Driving force behind investment decisions in the next 6 months  Industry: past 6 months Industry: next 6 months Services: past 6 Services: next 6 months months months  Neutral positive neutral neutral positive	months			Services			
Replacement Extension Rationalisation Innovation  Driving force behind investment decisions in the next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months months months months		Global demand	Domestic demand	Cost of finance	Availability of finance	Company Profitability	Capacity Utilisation
Replacement Extension Rationalisation Innovation  Driving force behind investment decisions in the next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months months months months	Influence on companies' investment				•		
Driving force behind investment decisions in the next 6 months  Industry: past 6 months months months months months months months	•	negative	neutral	positive	neutrai	neutrai	neutrai
decisions in the next 6 months  Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months months months months		Replacement	Extension	Rationalisation	Innovation		
Industry: past 6 Industry: next 6 Services: past 6 Services: next 6 months months months months	•	neutral	neutral	neutral	positive		
months months months	decisions in the next 6 months						
		Industry: past 6	Industry: next 6	Services: past 6	Services: next 6		
Overall trend in employment Up Same Up Same		months	months	months	months		
	Overall trend in employment	Up	Same	Up	Same		





Compared to 6 months ago,	sharply up /					
cost/access to finance has been for SMEs	restrained	up / more difficult	same Demand for finance Cost Access	down / easier		
for larger companies (>250 employees)			Demand for finance Cost Access			
Compared to 6 months ago, cost/access to finance has been for SMEs	sharply up / restrained	up / more difficult	same Demand for finance Cost Access	down / easier		
for larger companies (>250 employees,			Demand for finance Cost Access			
	Investment	Inventories and working capital	Internal Financing	Issuance of debt securities	Economic Outlook	
Factors contributing to the demand of bank lending	Positive effect	Neutral effect	Neutral effect	Negative 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	Neutral effect	Negative effect	Neutral effect



