


JUNE 2012 ECONOMIC OUTLOOK FOR LUXEMBOURG: ANSWERS FROM FEDIL
MAIN FORECAST

Annual % change	2012	2013
Real GDP growth	1,1	2,1
Consumer price inflation	3,0	2,0
Unemployment rate	5,2	5,9
Employment growth	2,0	1,1
government net lending (% of GDP)	-1,8	-2,2
gross public debt (% of GDP)	20,3	21,6
current account balance (% of GDP)	4,5	4,9

Components of aggregate demand - in real terms

Annual % change		
Private consumption	0,0	0,0
Public consumption	0,0	0,0
Investment (Gross Fixed Capital Formation)	12,0	4,0
Private non-residential investment	0,0	0,0
Exports	0,0	0,0
Imports	0,0	0,0

ECONOMIC SENTIMENT

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

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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		Access		

	Investment	Inventories and working capital	Internal Financing	Issuance of debt securities	Economic Outlook	
Factors contributing to the demand of bank lending	Positive effect	Negative 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