

AUTUMN 2012 ECONOMIC OUTLOOK FOR THE CZECH REPUBLIC: ANSWERS FROM SPCR

MAIN FORECAST

	2012	2013			
<i>Annual % change</i>					
Real GDP growth	-1,0	0,4			
Consumer price inflation	3,5	2,3			
Unemployment rate	6,9	7,0			
Employment growth	-0,5	-0,1			
Hourly wage growth	1,9	1,9			
Hourly labour productivity growth	-0,1	1,0			
annual hours worked per person employed	1770,0	1780,0			
government net lending (% of GDP)	-3,2	-2,9			
gross public debt (% of GDP)	45,5	46,5			
current account balance (% of GDP)	-1,6	-2,3			

ECONOMIC SENTIMENT

	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>			
<i>Trend in business climate over the next 6 months</i>			Industry			
<i>Trend in profitability over the next 6 months</i>			Industry			
<i>Investment intentions over the next 6 months</i>	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>	<i>Decrease (faster pace)</i>	
		Industry				
<i>Influence on companies' investment decisions</i>	<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>
	na	na	na	na	neutral	neutral
<i>investment decisions in the next 6 months</i>	<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>		
	na	na	na	na		
<i>Overall trend in employment</i>	<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>		
	Up	Down	na	na		



ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH				
<i>Compared to 6 months ago, cost/access to finance has been...</i>	sharply up / restrained	up / more difficult	same	down / easier
<i>for SMEs</i>				
<i>larger companies (>250 employees)</i>				
<i>Over the next 6 months, cost/access to finance will be...</i>	sharply up / restrained	up / more difficult	same	down / easier
<i>for SMEs</i>			Cost	
<i>larger companies (>250 employees)</i>			Access	Cost
	<i>Measures to improve bank lending capacity</i>	<i>Facilitating access to capital markets (corporate bonds and stock markets)</i>	<i>Improving conditions for equity financing</i>	
<i>Measures to alleviate current financial difficulties for SMEs</i>	Moderate effect	Very limited effect	Very limited effect	Very limited effect
	<i>Measures to improve bank lending capacity</i>	<i>Facilitating access to capital markets (corporate bonds and stock markets)</i>	<i>Improving conditions for equity financing</i>	
<i>Measures to alleviate current financial difficulties for midsize and large companies</i>	Very limited effect	Very limited effect	Very limited effect	Very limited effect