



AUTUMN 2012 ECONOMIC OUTLOOK FOR LUXEMBOURG: ANSWERS FROM FEDIL

MAIN FORECAST

| Annual % change | 2012 | 2013 | | | |
|---|------|------|--|--|--|
| Real GDP growth | 0,4 | 0,7 | | | |
| Consumer price inflation | 2,9 | 1,9 | | | |
| Unemployment rate | 5,4 | 6,4 | | | |
| Employment growth | 1,9 | 0,8 | | | |
| Hourly wage growth | n/a | n/a | | | |
| Hourly labour productivity growth | n/a | n/a | | | |
| annual hours worked per person employed | n/a | n/a | | | |
| government net lending (% of GDP) | -1,9 | -1,7 | | | |
| gross public debt (% of GDP) | 21,3 | 23,6 | | | |
| current account balance (% of GDP) | 4,4 | 4,9 | | | |

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> | <i>Positive</i> | <i>Negative</i> | <i>Unchanged</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 | negative |
| <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> | | |
| | Same | Same | 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> | Important 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 | Important effect | Very limited effect |