



# AUTUMNS 2012 ECONOMIC OUTLOOK FOR LITHUANIA: ANSWERS FROM LPK

## MAIN FORECAST

|   | 2012 | 2013 |  |  |  |
|---|------|------|--|--|--|
| <i>Annual % change</i>                  |      |      |  |  |  |
| Real GDP growth                         | 2,9  | 3,1  |  |  |  |
| Consumer price inflation                | 2,9  | 2,4  |  |  |  |
| Unemployment rate                       | 13,4 | 11,9 |  |  |  |
| Employment growth                       | 1,4  | 1,5  |  |  |  |
| Hourly wage growth                      | 3,5  | 2,9  |  |  |  |
| Hourly labour productivity growth       | n/a  | n/a  |  |  |  |
| annual hours worked per person employed | n/a  | n/a  |  |  |  |
| government net lending (% of GDP)       | -3,2 | -2,8 |  |  |  |
| gross public debt (% of GDP)            | 41,6 | 40,8 |  |  |  |
| current account balance (% of GDP)      | -2,9 | -3,0 |  |  |  |

## 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                             | negative                      | 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>Industry: past 6 months</i> | <i>Industry: next 6 months</i> | <i>Services: past 6 months</i> | <i>Services: next 6 months</i> |                               |                             |
| <i>Overall trend in employment</i>                      | Up                             | 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>                         | <b>sharply up / restrained</b>                   | <b>up / more difficult</b>  | <b>same</b>                                      | <b>down / easier</b> |  |
| <i>for SMEs</i>   |  |   |  |                      |  |
|   |  |   |  |                      |  |
| <i>larger companies (&gt;250 employees)</i>   |  |   |  |                      |  |
|   |  |   |  |                      |  |
| <i>Over the next 6 months, cost /access to finance will be...</i>                           | <b>sharply up / restrained</b>                   | <b>up / more difficult</b>  | <b>same</b>                                      | <b>down / easier</b> |  |
| <i>for SMEs</i>   |  |   | Cost   |                      |  |
|   |  |   |  |                      |  |
| <i>larger companies (&gt;250 employees)</i>   |  |   | Cost<br>Access                                   |                      |  |
|   |  |   |  |                      |  |
|   | <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 important effect                            | Very limited effect  |  |