ADDENDUM

The March edition of UNICE's Economic Outlook is based on a survey of member federations conducted before the European Central Bank's interest rate adjustment, announced on Thursday 16 March.

The ECB decision to raise its benchmark refinancing rate by 0.25 percentage points to 3.5%, does not fundamentally change UNICE's assessment of the economic and monetary policy stance in the euro area.

Against this background, it is important now to ensure that the recovery continues to gather pace, supported by further economic and structural reforms, budgetary consolidation and appropriate wage developments.

Brussels, 17 March 2000

UNICE ECONOMIC OUTLOOK

The UNICE economic outlook provides a business insight into recent economic developments based on a survey of national member federations covering EUR-15 countries and Norway. Qualitative data were collected at the beginning of March, while forecasts were made in January. All aggregate values are GDP weighted.

For further information, please contact:

Patrice LIAUZU
(32.2)237.65.26, p.liauzu@unice.be

Table 1: UNICE forecasts

EUR-11	**1999**	**2000**	**2001**
GDP (%yoy)	2.3	3.1	2.9
Inflation (%yoy)	1.2	1.7	1.6
Unemployment (%)	10.3	9.7	9.1
Compensation of employees (%yoy)	2.6	2.8	2.6
EUR-15	**1999**	**2000**	**2001**
GDP (%yoy)	2.3	3.1	2.9
Inflation (%yoy)	1.4	1.8	1.8
Unemployment (%)	9.4	8.8	8.3
Compensation of employees (%yoy)	3.0	3.2	3.1

SUMMARY

➢ **Positive outlook for 2000, but longer-term risks need to be addressed**

The March 2000 economic outlook confirms the strong recovery in business confidence, investment and profitability in both industry and services which was prevailing at the end of 1999. Fundamentals are improving, confidence strengthening not only in services, but also in industry, and lagging economies are recovering better than expected six months ago. The export-driven upturn should continue to benefit most European countries as the euro has weakened against the dollar and world trade is recovering. Domestic demand still remains robust, and private consumption is being fuelled by higher confidence, mainly due to lower unemployment. In this more favourable macroeconomic environment, companies' order books are growing and investment should gather momentum. On the budgetary side, Member States are reaping the benefits of this upswing, but medium-term budgets should be considered with an eye to the economic and social implications of ageing populations and risks of slowdown in the longer term. Tax reforms designed to reduce excessive overall fiscal burdens are still urgently needed in many countries. To summarise, most of the fundamental conditions seem to be in place to ensure sustained growth in the first half of 2000, reducing unemployment further: high confidence indicators, conducive monetary conditions, favourable exchange rate, and appropriate unit labour costs. On balance, risks over the next six months appear to be on the upside *(see page 8).*

➢ **New economy is on track**

Despite an environment less developed in information and communication technologies (ICT), Europe has started moving in this area, setting the scene for rapid growth in these sectors to the benefit of investment, profitability and employment. The new economy's performance is not just visible in stock markets with exceptionally high price earning ratios, growth of e-commerce and internet are also helping to cut costs, improve the productivity of companies and create new market opportunities.

➢ **Monetary policy between neutral and accommodating, but more moves expected**

The second interest rate hike decided by the ECB (3.25% refi rate) at the beginning of February has been taken to head off inflationary risks in the medium-term. This move has been mainly justified by external pressures from energy prices, although core inflation remains subdued. The fact that the ECB's Governing Council left rates unchanged on 2 March would seem to indicate that the Bank is not concerned by the external value of the euro as such. However, if the euro were to weaken much more, it could dampen public acceptance. It is also crucial that unit labour costs remain moderate, as the ECB seems sensitive to a wage spiral risk. Continuous growth expectations will probably bring further interest rate hikes over the next few months, but should not be large enough to harm countries less advanced in the cycle, while remaining accommodating for the more advanced ones.

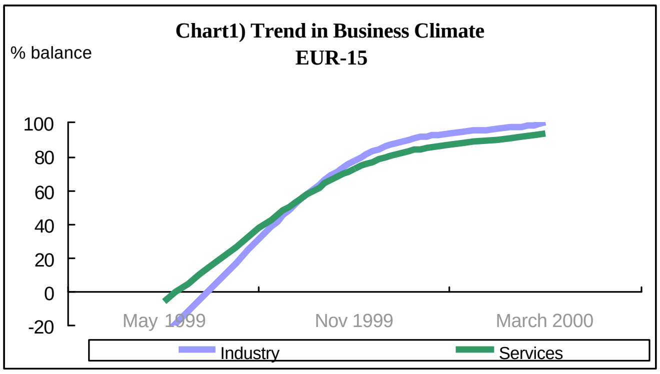
List of UNICE member federations surveyed in the economic outlook:

BDI	Germany
MEDEF	France
CONFINDUSTRIA	Italy
CEOE	Spain
VNO-NCW	Netherlands
IBEC	Ireland
CIP/AIP	Portugal
VOI	Austria
FEDIL	Luxembourg
TT/PT	Finland
VBO-FEB	Belgium
CBI	UK
DI	Denmark
SEV	Greece
SI/SAF	Sweden
NHO	Norway

➢ **Business Outlook**

- **Economic Climate:**

Business climate is gathering momentum in industry and services.

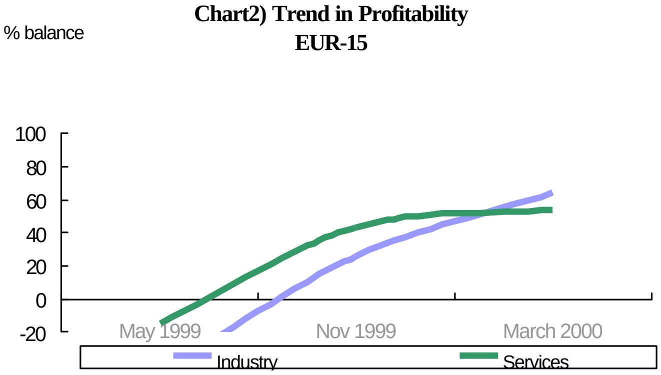


Balance charts: the trend is shown by subtracting the weighted percentage of federations answering negatively from those answering positively. A positive/negative balance indicates a rising/falling trend.

Companies are reaping the benefits of sustained internal demand and higher exports. Profit and sales expectations have increased markedly, boosting investment decisions. Furthermore, the price competitiveness of companies is likely to continue over the next six months as the euro should remain relatively weak. Dissemination of new technologies coupled with some progress in market liberalisation is beginning to have a positive competitive impact not only in high-tech but also in traditional sectors. Consumption patterns are also changing, reflecting growing consumer demand for new products and services, and development of electronic commerce. There are more business start-ups and the expected potential of this new economy is boosting equity markets and increasing investment returns, thus further improving the positive economic climate. Therefore, both domestic and external developments have led to an upward revision of UNICE's November 1999 forecasts *(see table 1).* Moreover, lagging economies, Italy and Germany, are rebounding, diminishing fears of a wide gap opening up across the euro area between the largest economies. In the United Kingdom, near-term prospects have improved slightly since the last outlook, including in the manufacturing sector, despite sterling's rise. Scandinavian countries are also benefiting from this bullish cycle, the growth upswing triggering a fall in unemployment.

Profitability *(chart 2)* prospects have improved in recent months, including in industry. Further productivity gains are expected and unit labour cost increases should remain modest, thus not hampering corporate profitability. ICT investments should further improve profitability in the medium-term, while capital equipment prices are decreasing.

Chart2) Trend in Profitability
EUR-15



However, in a number of countries, less productive industries could suffer from a combination of high wage settlements (Ireland) and additional regulatory burdens on companies - see table 2 below -, in particular on SMEs (35-hour week in France). However, such negative effects on profitability should be partially offset by strong productivity gains. Profitability may at best be stable in the UK service sector as pressures on labour costs are rising.

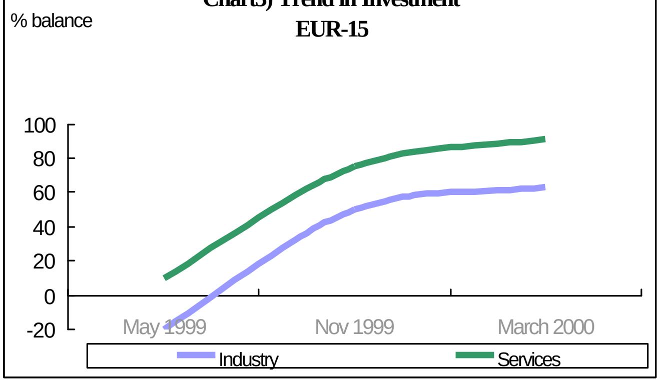
Table 2: New regulatory measures expected or in place

Germany	"Pension at 60"
France	35-hour week and tax burden
UK	Working time law, regulation on environment and health and safety, paid parental leave
Netherlands	Law on paid leave and part-time work
Luxembourg	Absence of transposition of the electricity directive
Portugal	Regulation on parental leave and health and safety. Regulation on workers secondment, change in the regulatory framework of labour inspection body.
	Regulation on youth employment and the new regulation on stamp duty

Investment *(chart 3)* should expand further in 2000, driven largely by favourable market prospects, rising capacity utilisation, conducive monetary framework, modernisation investments and catching-up of ICT investments. However, Europe seems to be exploiting less fully the potential of the new economy than the US, mirrored not only in high-tech start-ups but also in the flexible functioning of the production and work systems.

The European business environment is increasingly shaped by globalisation and competitiveness requirements. Companies are moving towards more aggressive consolidation and investment strategies to maintain competitive advantages or win market shares. This is a major factor for the recovery of the European economy, after a long period in the 1990s of relatively low levels of investment which hampered the growth potential in the longer term.

Chart3) Trend in Investment
EUR-15



The positive business climate confirms the November 1999 expectations. The European economy is recovering at a rapid pace, and disinflationary risks prevailing one year ago are now history. The new economy and increased competition are boosting investments and profits, bringing strong leaps in productivity. The competitive position of Europe has been fostered by the relative weakness of the euro.

However, the export-driven upturn which has spilled over into domestic demand, boosting EU growth, should not hide the lack of appropriate market reforms. Europe will not always reap the benefits of a conducive exchange rate with its main trading partners, and it is time to look at the rigidities which are impeding full exploitation of the growth potential of European economies. More specifically, further liberalisation and completion of the Single Market, especially in the service sector, remain crucial conditions to achieve this objective. Moreover, in order to realise the full potential of the new e-economy, Europe needs to accelerate the pace of structural reforms and to create a level playing-field through appropriate framework conditions for innovation, risk-taking, entrepreneurship and skills for the new markets.

- **Monetary and Financial Outlook:**

ECB expected to respond to further inflationary risks. Positive assessment of UNICE federations on the ECB.

The exchange rate weakness of the euro should continue in the next months, as the US economy keeps up momentum, and attractiveness of US assets remains high. Meanwhile, the euro exchange rate is boosting EU competitiveness without yet threatening internal price stability. Only once the long-expected deceleration of the US economy becomes reality is the euro likely to begin to appreciate.

Table 3: Level of Exchange rate (EUR, GBP, JPY) with following currencies

EUR-11 Countries	High	Appropriate	Low
USD	0	27	73
GBP	0	23	76
JPY	0	16	73
EUR-15 Countries	**High**	**Appropriate**	**Low**
USD	1	38	61
GBP	1	24	60
JPY	1	30	60
Euro	15	6	0

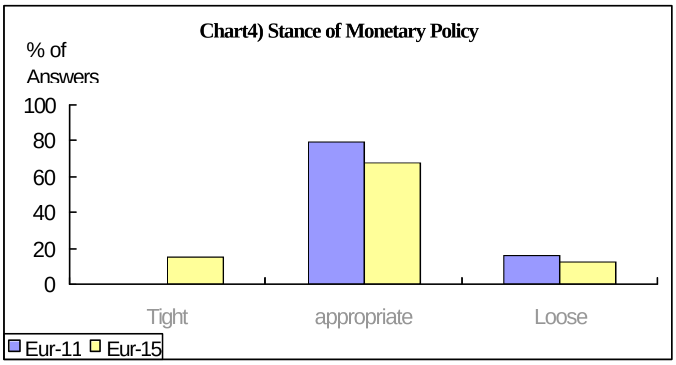
% of answers

In the UK, prospects are improving, in contrast to fears expressed at the end of 1999. Sterling's strength does not seem to be having the expected impact for the time being in manufacturing industries. Reasons underlying this absence of sensitivity to currency fluctuations might be the greater flexibility of British industry and recently, the impact of growing demand which has boosted export volumes but at the expense of thin margins. Moreover, the manufacturing sector imports as much as it exports, and lower imported input prices are supporting profitability. However, industry will probably suffer if sterling's strength proves even more protracted.

On the monetary policy side, the step-by-step approach of the ECB translates the wish of the monetary authority not to harm the European recovery, but to anticipate inflationary risks. The motivation for the February interest-rate adjustment came both from external risks - large increase in energy prices and persisting weak euro - and from internal ones - buoyant cycle, credit growth and concerns about wage rounds.

In this potentially upward inflationary environment, the trend in wage settlements – one of the most important domestic components – will be decisive for the further actions taken by ECB. There may be temptations in this upturn for increased energy prices to lead to calls for a wage adjustment. However, the current level of energy prices reflects a change in relative prices and should not be a reference for wage claims. Inflation could drift toward the 2% ceiling in 2000, pushed up by energy prices. However, core inflation is still subdued. The new economy is improving the growth-inflation trade-off, and market integration and increased competition are prevailing as counter-forces in some sectors. Asset price inflation remains a concern in some countries. In the UK, the high exchange rate continues to exert downward pressure on domestic inflation.

The stance of monetary policy is still conducive for economic activity in the euro area, and quite accommodating for countries which are the most advanced in the business cycle. Moreover, as recovery takes shape in Germany and Italy, the probability of a further hike will increase. Most federations consider the stance of monetary policy to be appropriate *(chart 4)* for their country, some considering it to be loose (Spain, Ireland and Netherlands) while the UK considers it to be tight in the absence of significant inflationary pressures.



On the whole, UNICE members have a positive opinion of the ECB *(chart 5)* conduct of monetary policy, even if the short history makes it difficult to assess the new monetary institution, especially in a period of price stability. Some inconsistencies have been observed in the Bank's approach to external communications. In this context, the recent decisions by the ECB to publish the model that generates the economic forecasts upon which interest rates decisions are taken, and at a latter stage the forecasts themselves, are welcomed.

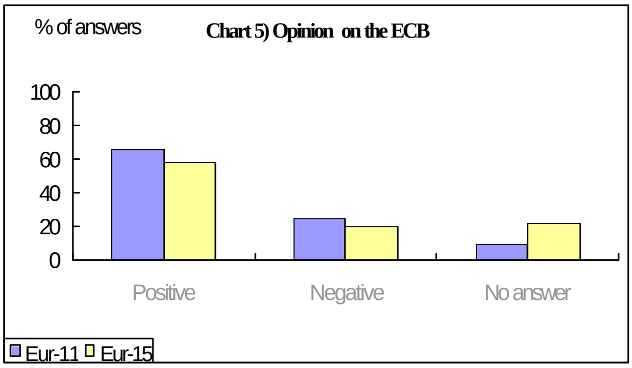


Chart 5) Opinion on the ECB

Long-term bond yields have increased further over the last few months, in conjunction with upward pressure on US bond yields. The EUR-11 government bond market is now bigger than its US counterpart, and euro-denominated bonds from corporate issuers have outperformed these last months. These developments are encouraging for the reserve currency status of the euro. Stock prices have shown high volatility since the beginning of January, but evidence of sustained robust growth and positive corporate earnings expectations should foster the main European stock market indices - except in smaller countries' stock exchanges which are regarded as regional bourses within the "new" euro area.

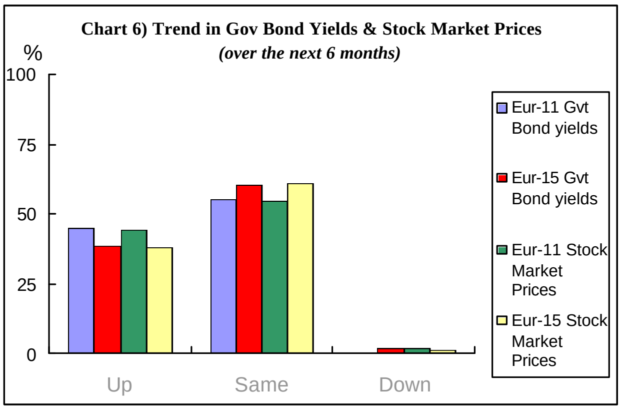


Chart 6) Trend in Gov Bond Yields & Stock Market Prices
(over the next 6 months)

Moreover, "new economy" prospects are boosting high-tech shares and price earning ratios are reaching exceptional values – in particular for recent IPOs – attracting more private investors to stock exchanges with the development of internet trading. Lastly, it is important to underline that this trend in stock markets is not just transient, but is based on new market opportunities, capital investment, and development of new activities. A large majority of UNICE federations also considers the access to capital to remain difficult to SMEs - in particular through classical bank loans - and it is not always easy to find financing instruments adapted to the different stages of the life cycle of a company.

Momentum is gathering pace in the European economy and inflationary risks are becoming more obvious than before. If imported inflation is difficult to tackle, it is essential to maintain internal price stability by controlling domestic inflationary threats, the upcoming wage rounds in some countries ought to remain moderate in this early stage of the recovery. On the whole, UNICE's federations have a positive assessment of the monetary policy stance, which should not be jeopardised by unduly expansionary budgetary policies.

A major development in European stock markets comes from the new economy which is boosting stock market indices and attracting more private investors through electronic trading. This sector will play its role to the full only if the regulatory framework provides the EU with a modern, effective and attractive financial apparatus which fits the needs of companies and puts in place a level playing-field for financial services in Europe. It remains essential to liberalise financial services, especially pension funds, by focusing on improved access to capital markets, increased transparency of information for investors, better mobility and cross-border integration, and more efficient and liquid capital markets.

- **Taxation**

Budgets moving close to balance due mainly to higher cyclical receipts.

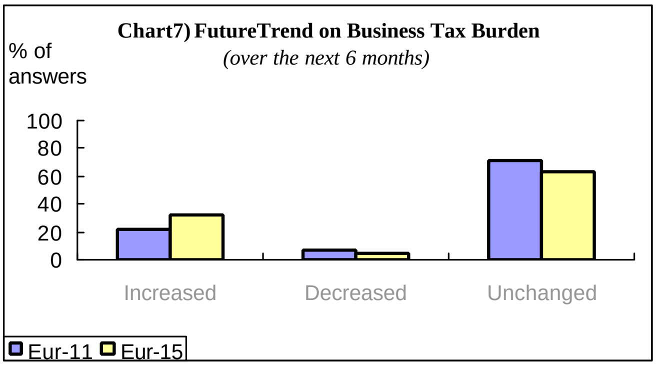
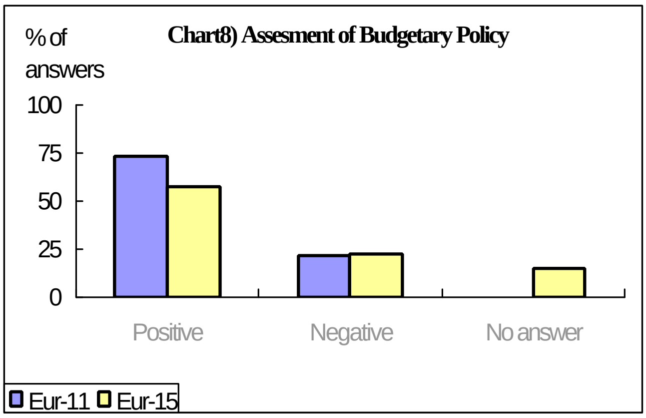


Chart7) FutureTrend on Business Tax Burden
(over the next 6 months)

In this cyclical upturn, budgets are moving close to balance in some countries and the Member States' pluri-annual budget programmes are all in line with expectations. (Member States are asked to set out their medium-term objective in the stability and convergence programme and budgets should be "close to balance or in surplus").

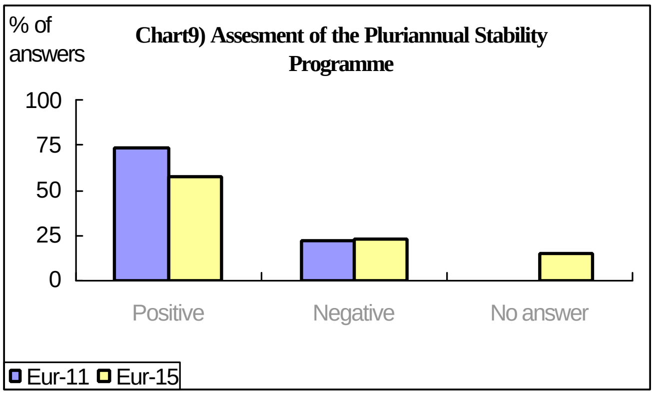
However, this upswing favourable to tax revenues must not hide the heavy public debt of some countries or the high level of structural deficit in other countries. Consolidation of public finances must be pursued, and attention should be paid to restructuring the spending side rather than the income side. It is important to prepare the European economy for the ageing population whose impact on the budgets is serious. Reforms of social security systems, in particular development of funded pension systems, remain a critical issue. Discussions about spending budget surpluses due to higher cyclical receipts are therefore premature. At EU level, the budgetary surveillance process should be strengthened and greater attention should be paid to benchmarking the quality of the consolidation process.



Moreover, in the EMU framework, it is important to consider budgetary policy as a countercyclical tool for the most advanced countries in the business cycle, in order to cool down the economy in a situation where the single monetary policy may be too accommodating for these countries.

Increased government tax revenues have initiated a debate on tax policy, some countries already preparing tax reform packages. The German government has prepared a significant tax reform financed by a broadening of the tax base. Corporate income tax is to be reduced from 40% to 25% and inter-company distributions will be tax-exempt. These tax measures are expected to make it more competitive and modernise “Standort Deutschland”. More specifically, the abolition of the corporate capital gains tax is expected to enhance Germany’s attractiveness as a location for international investment. The German government’s reform also includes measures which will reduce income tax, probably boosting private consumption in the forthcoming years. Belgium is set to lower employers' social security contributions while Ireland is cutting corporate tax on services from 24% to 20% in 2001.

It is also important to undertake urgently needed tax reforms to remove obstacles which restrict entrepreneurship, slow down innovation and discourage employment creation. In the competitive environment of high-tech and ICT sectors, priority should be given to attracting skilled workers and therefore development of stock-based remuneration and capital gains should not be considered as earned income. There is a fundamental risk of IT or management labour force moving to more attractive places all around the world which could damage the growth potential of the new economy in Europe.

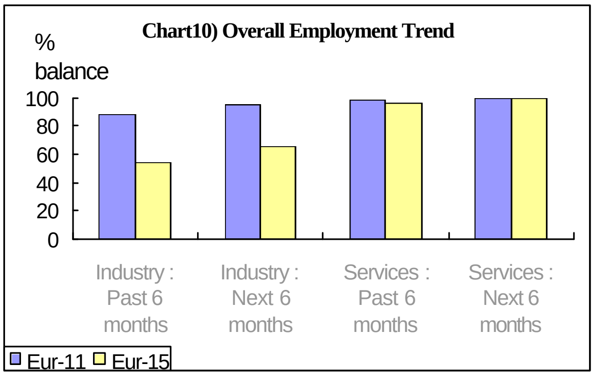


Countries which intend to increase the tax burden on business are France (ecotax, special contribution to finance 35-hour week), and Norway (higher taxes on electricity). UK business is already facing a rising tax burden until 2002 from the transitional impact of the new corporation tax regime. Further uncertainties come from a potential rise in fuel duty and the uneven impact on companies of the 2000 revaluation of business rates.

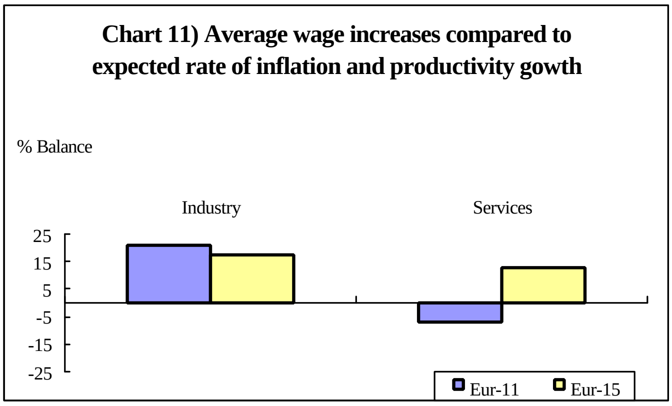
Increased tax revenues in this booming cycle explain deficit reduction and the current upswing should last over the medium term. However, with economic conditions improving, governments should step up efforts to reduce public deficits and debts, in particular by cutting primary expenditures and re-orienting spending on strategic areas, such as R&D, education and training, infrastructures and funded pension systems. Many European countries still need to create sufficient budgetary margins for manoeuvre in the medium-term, both to cut overall tax burdens and to improve the quality of public spending, although the priority to be given to each of these objectives may differ from country to country. Finally, the European tax strategy should move away from a system which aims at protecting the Member States' tax bases towards a system which supports higher growth, notably by removing tax obstacles to cross-border activity in the Single Market.

➢ Labour Market and Wage Indicators

Unemployment continuing its decline due to the cyclical upturn, but labour markets' performance can still be improved through greater flexibility and mobility of workforce



The European unemployment rate will be below 10% for the first time since 1992. Moreover, employment in industry has started to rise again. However, this encouraging labour market development, mainly due to cyclical boost, must not be allowed to obscure the structural weakness of some labour markets. Evidence can be found in the disparity of employment performances across European countries. The employment brightness is not mirrored in groups such as young people, older workers, unskilled people or women. Moreover, labour costs are still hampering employment, discouraging the hiring of low-skilled workers through high indirect labour costs and demotivating white-collars through high marginal tax rates. The cyclical upswing must be followed by structural reforms in order to improve the functioning of labour markets and ensure a substantial improvement in employment, as it has been the case in Spain and the Netherlands. Moreover, Scandinavian labour markets have also improved markedly, with rates of job creation three times higher in Sweden or Denmark than in the euro area in recent years. The cost of welfare systems has been curtailed - even if much more remains to be done - reducing work disincentives, and tax reforms have shifted part of the tax burden away from companies.



In the current economic environment, some labour markets are expected to tighten (89% positive answers in euro area and 73% in the EU), in particular in IT or for skilled workers (Belgium, Germany, France) or even low-skilled labour force (Ireland, Finland). The issue of mobility of the workforce, both professional and geographic, will need to be given greater attention in this context. Real unit labour costs should remain at acceptable levels, productivity offsetting nominal wage increases (productivity gains are expected mainly in industry – see annex).

Unemployment is falling as a consequence of sustained growth and a decade of structural change which is beginning to bear fruit. The unemployment rate should be clearly below 10% in 2000, as the employment trend improves in most European countries. Labour shortages are appearing in some countries or sectors, highlighting a mismatch between labour supply and demand.

It remains essential to tackle structural unemployment by reducing the tax wedge - and not only shifting the burden from direct to indirect taxes - by reforming the tax and benefit systems to re-establish incentives to work, giving individuals security through employability rather than excessive regulation, and equipping them with the education and skills needed in a changing economy. Moreover, high-tech and ICT activities will develop markedly over the next months, mainly through creation of start-ups. This growth potential will only deepen the employment dynamic if these young companies progressing in a competitive environment can benefit from well functioning labour markets.

➢ **Main risks over the next 6 months**

Main risks for the European economy within the next six months are on the upside, the price effects of market liberalisation (telecoms, natural gas, electricity) could partially offset inflationary pressures and a conducive euro exchange rate combined with recovery in world trade could easily lift euro area GDP. Downside risks could come from higher inflationary pressures. As the external environment remains favourable while domestic conditions are also rapidly improving, price tensions may arise, triggering wage pressures. Moreover, risks of a sharper than expected US slowdown and spill-over effects through trade and finance channels are not excluded.

At national level, federations see the following main risks:

Germany: Downside risks also lie in new expected regulatory measures (pensions at 60) and wage increases above productivity growth. A sharp tightening of the ECB monetary policy could trigger a setback on stock markets with negative consequences on the German internal demand, still at an early stage of the recovery.

France: 35-hour law could hamper SMEs competitiveness.

Italy: The forthcoming elections are transforming in a test for the Government and its coalition creating some uncertainties about political developments.

Spain: Risk of wage slippage.

Finland: Strikes and wage slippage.

Netherlands: Wage slippage.

United Kingdom: Continuous strength of sterling, tightening of the monetary policy.

Sweden: Overheating and risk of price-wage spiral which could call a further tightening of the monetary policy.

Denmark: Labour market bottlenecks.

Greece: Expected EMU participation will affect interest rates downwards with positive effects on business activity.

Norway: Appreciation of the krone.

USA: Correction in stock markets with negative consequences on internal demand leading to a hard landing scenario. A sudden inflation increase which would trigger a sharp tightening of the Fed.

Japan: Risk of slow reform process in the banking and corporate sector, hampering economic recovery.

Annex 1 : country results **March 2000 UNICE Economic Outlook**

	B	D	E	F	IRL	I	L	NL	A	P	FIN	EUR-11	DK	EL	S	UK	EUR-15	NW
Forecasts 1999																		
GDP (%yoy)	2.3	1.4	3.7	2.7	9.8	1.4	4.5	3.5	2.2	3.1	3.5	2.3	0.5	3.5	3.5	1.9	2.3	0.8
Inflation (%yoy)	1.1	0.8	2.3	0.5	1.6	1.7	1.1	2.2	0.5	2.3	1.2	1.2	2.5	2.6	0.3	2.3	1.4	2.3
Unemployment (%)	9	9	15.9	11.2	5.1	11.5	2.9	4.1	4.4	4.4	10.2	10.3	4.5	10.5	5.6	5.9	9.4	3.2
Compensation of employees (%yoy) *(nominal)*												2.6					3.0	
Forecasts 2000																		
GDP (%yoy)	3.3	2.7	3.9	3.5	8	2.2	4.1	3.8	3	3.3	4.5	3.1	1.7	3.8	3.6	3.1	3.1	2.5
Inflation (%yoy)	1.4	1.4	2.2	1.1	3.7	2	1.6	2.5	1	2	2.3	1.7	2.5	2.2	1.5	2.1	1.8	2.4
Unemployment (%)	8.6	8.5	14.5	10.4	4.7	11.2	2.8	3.5	4.2	4.5	9	9.7	4.3	10.1	5	5.7	8.8	3.4
Compensation of employees (%yoy) *(nominal)*												2.8					3.2	
Forecasts 2001																		
GDP (%yoy)	3.3	2.7	3.5	3	6.5	2.3		3.3	2.8	3.6	4	2.9	1.8	4.1	3	2.6	2.9	2.8
Inflation (%yoy)	1.4	1.5	2	1	2.3	1.8		3.3	1.2	1.9	2.3	1.6	2.1	2.1	2	2.3	1.8	2
Unemployment (%)	7.9	8	13.2	9.8	4.2	11		3	4.1	4.4	8	9.1	4.2	9.5	4.5	5.5	8.3	3.5
Compensation of employees (%yoy) *(nominal)*												2.6					3.1	
	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser
Question 1	*Trend in business climate over the next 6 months:*																	
Positively	X/X	X/X	X/	X/X		X/X	X/X	X/X	X/X	X/X	X/X	99/89	X/X	X/X	X/X	X/X	99/92	/X
Negatively												0					0	
Neither P nor N.			/X		X/X							1/11					1/8	X/
	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser
Question 2	*Trend in profitability over the next 6 months:*																	
Positive	X/X	X/X	X/X				X/X	X/X	X/X	/X	X/	56/55	X/		X/	X/X	64/58	X/X
Negative												0					0	
Unchanged				X/X	X/X	X/X				X/	X	44/46	/X	X/X	X		36/42	
	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser
Question 3	*Trend in investment over the next 6 months:*																	
Positive	X/X	X/X	X/X	X/X		X/X		X/X	X/X	X/X	X/X	99/99		X/X	/X	/X	79/97	
Negative												0	X/			X/	15/2	X/X
Unchanged					X/X		X/X					1/1	/X		X		6/1	
Question 4	*Level of exchange rate with:*											H/App/L					H/App/L	
USD	Low	Low	Low	App	Low	Low	App	Low	App	App	Low	0/27/73	App	High	Low	App	1/38/61	App
GBP	Low	Low	Low	App	Low	Low		Low	Low	App	Low	0/23/76	App	High	App		1/24/60	App
JPY	App	Low		Low		Low	App		App	App		0/16/73	App	High		App	1/30/60	App
Euro													App	High	App	High	15/6/0	High
Others :											SEK (App)							
Question 5	*Stance of Monetary policy:*																	
Tight												0				X	15	
Appropriate	X	X		X		X	X		X	X	X	84	X	X	X		72	X
Loose			X		X			X				16					13	
Question 6	*About one year after its establishment, what is your opinion on the ECB (conduct of monetary policy favourable to business, transparency..)*																	
Positive	X	X			X	X	X	X		X	X	66	X	X	X		58	
Negative				X					X			25					20	
No answers			X									9				X	22	X

	B	D	E	F	IRL	I	L	NL	A	P	FIN	EUR-11	DK	EL	S	UK	EUR-15	NW
Question 7	*Do you consider cost/access to capital for SME business development in your country is:*											C/A						
Higher / More difficult	X/	X/						X/		X/		40/0	X/			X	49/15	
Same	X	X	X	X		X		X		X	X	55/88	X	X	X/		43/72	X
Lower / Less difficult												0		X/	X		1/0	
Question 8	*Trend in government bonds yields and stock market prices over the next 6 months:*											U/S/D					U/S/D	
Gvt Bond Yields /	Same	Up	Same	Same	Up	Same	Up	Same	Up	Up	Up	42/55/0	Same	Down	Up	Same	38/61/1	Up
Stock market prices	Up	Same	Up	Same	Down	Up	Up	Up	Up	Same	Up	41/55/1	Same	Same	Up	Same	35/61/1	Up
Question 9	*Trend of total tax burden on business in the past 6 months:*																	
Increased		X						X			X	34	X			X	43	
Decreased												0			X		4	
Unchanged	X		X	X		X	X		X	X		65		X			52	X
Question 10	*Trend of total tax burden on business in the next 6 months:*																	
Increase				X								22				X	32	X
Decrease	X								X			7					5	
No change		X	X		X	X	X	X		X	X	71	X	X	X		63	
Question 11	*What is your assessment of budgetary policy programme for 2000 ?*																	
Positive	X	X	X		X	X	X	X	X		X	77					60	
Negative				X						X		23	X	X	X		25	
No answer												0				X	15	X
Question 12	*Implementation of the Stability and Growth Pact: what is your assessment of your country's pluriannual stability programme ?*																	
Positive	X	X	X		X	X	X			X	X	75			X	X	77	
Negative				X					X			25					20	
No answer												0	X	X			3	X
Question 13	*Do you expect new regulatory measures which would hinder business' competitiveness ?*																	
Yes		X		X			X	X		X		63			X	X	67	
No	X					X					X	23	X	X			22	X
Question 14	*Overall trend in employment:*											U/Un/D					U/Un/D	
Ind: past 6 months	Up	Up	Up	Up	Up	Up	Unch	Unch	Up	Down	Up	93/6/1	Down	Unch	Unch	Down	73/11/16	Down
Ind: next 6 months	Up	Up	Up	Up	Up	Up	Up	Up	Up	Unch	Up	99/1/0	Down	Unch	Up	Down	83/2/15	Down
Ser: past 6 months	Up	Up	Up	Up	Up	Up	Up	Up	Up	Up	Up	100/0/0	Down	Up	Up	Up	98/2/0	Up
Ser: next 6 months	Up	Up	Up	Up	Up	Up	Up	Up	Up	Up	Up	100/0/0	Unch	Up	Up	Up	100/0/0	Up
Question 15	*Expectation on labour markets over the next 6 months:*																	
More tight	X	X		X	X	X	X	X	X		X	89			X		73	
Unchanged			X							X		11	X	X		X	27	X
Less tight												0					0	
	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser
Question 16	*Evaluation of labour productivity:*																	
High		X/X		X/	X/		X/		X/		X/	66/31				X/	66/24	
Average	X/X			X	X	X/X	X	X/	X			24/56	X/	X/	X/		25/44	X/X
Low			X/X					/X		X/X	X	11/13	/X	X	X	X	8/32	
	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser	Ind/Ser	Ind/Ser	Ind/Ser		Ind/Ser
Question 17	*Compared with inflation and productivity growth, level of average wage increases:*																	
Higher		X/X			/X			X/X			/X	51/35			X/X	/X	43/45	/X
Same	X/X		X/X		X	X	/X		X	X/X		19/20	/X	X/X		X	31/19	X/
Lower				X/X		/X	X/				X	30/42	X/				26/33	