



## AUTUMN 2009 ECONOMIC OUTLOOK FOR MALTA: ANSWERS FROM MFOI

IAIN FORECAST	)	0000	0010		
		2009	2010		
Real GDP growth		-2.0	0.5		
Consumer price inflation		3.0	2.0		
Inemployment rate		7.5	7.0		
mployment growth		-1.0	0.5		
Components of aggregate demand					
Annual % change		2009	2010		
Private consumption		0.0	0.0		
Public consumption		0.1	0.0		
nvestment (Gross fixed capital formation)		-0.2	0.1		
xports		-0.2	0.1		
mports		-0.2	0.2		
			ļ		
CONOMIC SENTIMENT					
	Positive	Negative	Unchanged		
rend in business climate over the next	Industry				
	industry				
months			Services		
	Positive	Negative	Unchanged		
The second se			enenangea		
Frend in profitability over the next 6		Industry			
nonths		Services			
	Increase	Increase		Docresso	Dearage
	Increase	Increase	Unchanged	Decrease	Decrease
	(faster pace)	(slower pace)	geu	(slower pace)	(faster pace)
nvestment intentions over the next 6					Industry
nonths			Conicas		
nonula			Services		
	Fall in global demand	Cost of finance	Availability of finance		
	r un migrobul demand	Cost of Infance	Attainability of Infance		
nfluence on companies' investment	negative	neutral	positive		
lecisions	nogatito	noutrai	poolitio		
	Replacement	Extension	Rationalisation	Innovation	
	Replacement	Extension	Rauonansauon	Innovauon	
Driving force behind investment	neutral	not important	important	important	
lecisions in the next 6 months	noutra	not important	important	important	
	Induction is most C	In duration is marith C	Comilana: most C	Completer mart C	
	Industry: past 6	Industry: next 6	Services: past 6	Services: next 6	
	months	months	months	months	
Overall trend in employment	<i>months</i> Down	Down	Up	Same	
Overall trend in employment					
	Down	Down			
Overall trend in employment	Down	Down			
CCESS TO FINANCE AND IMPACT OF	Down THE CRISIS ON POTENT	Down			
	Down	Down			
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## POLICY MIX

POLICY MIX					
	Tight, appropriate for the euro area	Tight	Appropriate	Loose	Loose, appropriate for the euro area
Monetary policy is			yes		
	adequate	inadequate			
Consistency between fiscal and monetary policies	yes				
	excellent committment	satisfactory committment	neither satisfactory nor unsatisfactory committment	unsatisfactory committment	no clear committment creating an extremely worrying situation
Regarding the sustainability of public finances, government shows		yes			
	respect the 3% limit	be in balance			
In 2015, the government deficit will	yes	yes			