



AUTUMN 2009 ECONOMIC OUTLOOK FOR CYPRUS: ANSWERS FROM OEB

		2000	2040		
1000		2009	2010		
eal GDP growth		0.3	0.5		
consumer price inflation		1.0	2.5		
Inemployment rate		6.0	6.0		
Employment growth		0.0	0.0		
imployment growth		0.0	0.0		
Components of aggregate demand					
Annual % change		2009	2010		
Private consumption		1.0	1.5		
Public consumption		1.0	1.7		
nvestment (Gross fixed capital formation)		1.5	2.0		
xports		0.5	1.0		
•					
nports		0.4	1.0		
CONOMIC SENTIMENT					
	Dtit	M	I be a beautiful		
	Positive	Negative	Unchanged		
rend in business climate over the next		Industry			
months		Services			
	Positive	Negative	Unchanged		
	1 Ostuve		Gricilariyeu		
rend in profitability over the next 6		Industry			
nonths		Services			
	Increase	Increase	I Inchesses	Decrease	Decrease
	(faster pace)	(slower pace)	Unchanged	(slower pace)	(faster pace)
nvestment intentions over the next 6			Industry		
months		Services			
monuis		OOI 410 GO			
	Fall in global demand	Cost of finance	Availability of finance		
on the street of	-				
lecisions	negative	neutral	positive		
ecisions					
	Dominoument	Futanalan	Detionalization	la a a costi a a	
Priving force behind investment	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment decisions in the next 6 months	important	important	not important	neutral	
	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6	
	montas	เทอกนาร	monus	months	
			-	_	
Overall trend in employment	Down	Down	Down	Down	
		Down	Down	Down	
		Down	Down	Down	
Overall trend in employment ACCESS TO FINANCE AND IMPACT OF	THE CRISIS ON POTENT	Down	Down	Down	
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POLICY MIX					
	Tight, appropriate for the euro area	Tight	Appropriate	Loose	Loose, appropriate for
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			