

FEBRUARY 2010 ECONOMIC OUTLOOK FOR GERMANY: ANSWERS FROM BDA AND BDI

MAIN FORECAST					
Real GDP growth		2009	2010		
Consumer price inflation		-5.0	1.8		
Unemployment rate		0.3	1.0		
Employment growth		7.5	9.0		
		-0.1	-1.3		
Components of aggregate demand - in real terms					
Annual % change		2009	2010		
Private consumption		0.8	0.1		
Public consumption		2.2	1.8		
Investment (Gross fixed capital formation)		-20.9	2.0		
Exports		-14.7	6.9		
Imports		-9.0	4.5		
ECONOMIC SENTIMENT					
		Positive	Negative	Unchanged	
Trend in business climate over the next 6 months		Industry		Services	
		Positive	Negative	Unchanged	
Trend in profitability over the next 6 months		Industry		Services	
		Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)
Investment intentions over the next 6 months			Industry	Services	Decrease (faster pace)
		Global demand	Domestic demand	Cost of finance	Availability of finance
Influence on companies' investment decisions		positive	negative	negative	negative
		Replacement	Extension	Rationalisation	Innovation
Driving force behind investment decisions in the next 6 months		neutral	negative	negative	neutral
		Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months
Overall trend in employment		Down	Down	Same	Down
ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH					
Compared to 6 months ago, cost/access to finance has been...		sharply up / restrained	up / more difficult	same	down / easier
<i>for SMEs</i>				Cost Access	
<i>for larger companies (>250 employees)</i>				Cost Access	
Over the next 6 months, cost /access to finance will be...		sharply up / restrained	up / more difficult	same	down / easier
<i>for SMEs</i>			Cost Access		
<i>for larger companies (>250 employees)</i>			Cost Access		
For companies, the current financing situation is...		threat to company existence	of high concern	somewhat concerning	not worrying
working capital / treasury needs			SMEs large companies		
debt refinancing			SMEs large companies		
financing productive investments				SMEs large companies	
financing innovation and R&D			SMEs large companies		

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