

FEBRUARY 2010 ECONOMIC OUTLOOK FOR LITHUANIA: ANSWERS FROM LPK

MAIN FORECAST					
Real GDP growth		2009	2010		
Consumer price inflation		-15.0	-1.5		
Unemployment rate		4.5	-0.8		
Employment growth		14.0	16.0		
		-7.5	-4.5		
Components of aggregate demand - in real terms					
Annual % change		2009	2010		
Private consumption		-15.5	-1.5		
Public consumption		-2.7	-7.5		
Investment (Gross fixed capital formation)		-40.0	-0.5		
Exports		-19.0	4.0		
Imports		-30.0	3.0		
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				Decrease (faster pace)
	Services				
		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	negative	negative	positive	positive	
		Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months
Overall trend in employment	Down	Down	Down	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	
					for SMEs
		Access			
				Cost	
		Access			
Over the next 6 months, cost /access to finance will be...	sharply up / restrained	up / more difficult	same	down / easier	
					for SMEs
		Access			
				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>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>	yes				
	<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			