

JUNE 2010 ECONOMIC OUTLOOK FOR SLOVENIA: ANSWERS FROM ZDS

MAIN FORECAST						
<i>Annual % change</i>		2010	2011			
Real GDP growth		0,6	2,4			
Consumer price inflation		1,3	1,6			
Unemployment rate		7,2	7,4			
Employment growth		-2,3	-0,6			
government net lending (% of GDP)		n/a	n/a			
gross public debt (% of GDP)		n/a	n/a			
current account balance (% of GDP)		n/a	n/a			
Components of aggregate demand - in real terms						
<i>Annual % change</i>		2010	2011			
Private consumption		-0,5	1,7			
Public consumption		0,6	0,2			
Private non-residential investment (*)		n/a	n/a			
Exports		4,3	6,3			
Imports		4,1	6,3			
(*) Data refers to total gross fixed capital formation						
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				
	Global demand	Domestic demand	Cost of finance	Availability of finance	Company Profitability	Capacity Utilisation
Influence on companies' investment decisions	negative	neutral	neutral	negative	negative	negative
	Replacement	Extension	Rationalisation	Innovation		
Driving force behind investment decisions in the next 6 months	positive	neutral	neutral	positive		
	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months		
Overall trend in employment	Down	Down	Same	Same		



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>
Monetary policy is...			yes		
	<i>adequate</i>	<i>inadequate</i>			
Consistency between fiscal and monetary policies		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>
Regarding the sustainability of public finances, government shows ...				yes	
Exit Strategies	<i>excessive focus</i>	<i>sufficient focus</i>	<i>neither satisfactory nor unsufficient focus</i>	<i>unsufficient focus</i>	<i>so far ignored</i>
Tight fiscal rules and more effective institutions			yes		
Greater efficiency of public administrations				yes	
Credible cost-cutting measures				yes	
Increased scope of public-private partnerships			yes		
Reform of pension systems		yes			
Improved efficiency of healthcare sector		yes			
Entry Strategies	<i>excessive focus</i>	<i>sufficient focus</i>	<i>neither satisfactory nor unsufficient focus</i>	<i>unsufficient focus</i>	<i>so far ignored</i>
More and better-targeted education and training					yes
More and better targeted R&D and innovation efforts					yes
Prioritisation of infrastructure investments				yes	
Growth enhancing tax reforms					yes
In 2015, the government deficit will...	<i>respect the 3% limit</i>	<i>be in balance</i>			
	no	no			

ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

<i>Compared to 6 months ago, cost/access to finance has been...</i>	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	