


**NOVEMBER 2011 ECONOMIC OUTLOOK FOR DENMARK: ANSWERS FROM DA AND DI**
**MAIN FORECAST**

<i>Annual % change</i>	2011	2012
Real GDP growth	0,6	1,3
Consumer price inflation	1,7	1,8
Unemployment rate	7,4	7,7
Employment growth	-0,4	0,0
government net lending (% of GDP)	-3,1	-3,8
gross public debt (% of GDP)	41,7	37,4
current account balance (% of GDP)	6,3	5,9

**Components of aggregate demand - in real terms**

<i>Annual % change</i>		
Private consumption	-0,2	1,5
Public consumption	0,1	1,0
Investment (Gross Fixed Capital Formation)	-2,1	4,6
Private non-residential investment	-6,8	7,5
Exports	5,6	2,4
Imports	6,2	3,3

**ECONOMIC SENTIMENT**

	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>			
<b>Trend in business climate over the next 6 months</b>			Industry			
			Services			
	<b>Positive</b>	<b>Negative</b>	<b>Unchanged</b>			
<b>Trend in profitability over the next 6 months</b>	Industry					
	Services					
	<b>Increase (faster pace)</b>	<b>Increase (slower pace)</b>	<b>Unchanged</b>	<b>Decrease (slower pace)</b>	<b>Decrease (faster pace)</b>	
<b>Investment intentions over the next 6 months</b>			Industry			
			Services			
	<b>Global demand</b>	<b>Domestic demand</b>	<b>Cost of finance</b>	<b>Availability of finance</b>	<b>Company Profitability</b>	<b>Capacity Utilisation</b>
<b>Influence on companies' investment decisions</b>	negative	neutral	negative	negative	negative	negative
	<b>Replacement</b>	<b>Extension</b>	<b>Rationalisation</b>	<b>Innovation</b>		
<b>Driving force behind investment decisions in the next 6 months</b>	positive	negative	positive	positive		
	<b>Industry: past 6 months</b>	<b>Industry: next 6 months</b>	<b>Services: past 6 months</b>	<b>Services: next 6 months</b>		
<b>Overall trend in employment</b>	Same	Down	Same	Down		

**ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH**

<i>Compared to 6 months ago, cost/access to finance has been...</i> <i>for SMEs</i>	<b>sharply up / restrained</b>	<b>up / more difficult</b> Cost Access	<b>same</b>	<b>down / easier</b>
<i>for larger companies (&gt;250 employees)</i>		Cost Access		

<i>Over the next 6 months, cost /access to finance will be...</i> <i>for SMEs</i>	<b>sharply up / restrained</b>	<b>up / more difficult</b> Cost Access	<b>same</b>	<b>down / easier</b>
<i>for larger companies (&gt;250 employees)</i>		Cost Access		

	<b>Consolidation of banking sector balance sheets</b>	<b>Access to capital markets</b>	<b>Engcouraging equity financing through tax reforms</b>	<b>Better use of existing EU instruments (including EIB)</b>	<b>Greater potential for Public-Private-Partnerships</b>
<b>Measures to alleviate current financial difficulties for SMEs</b>	Very limited effect	Very limited effect	Important effect	Very limited effect	Very limited effect
<b>Measures to alleviate current financial difficulties for midsize and large companies</b>	Very limited effect	Very limited effect	Important effect	Very limited effect	Very limited effect

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