

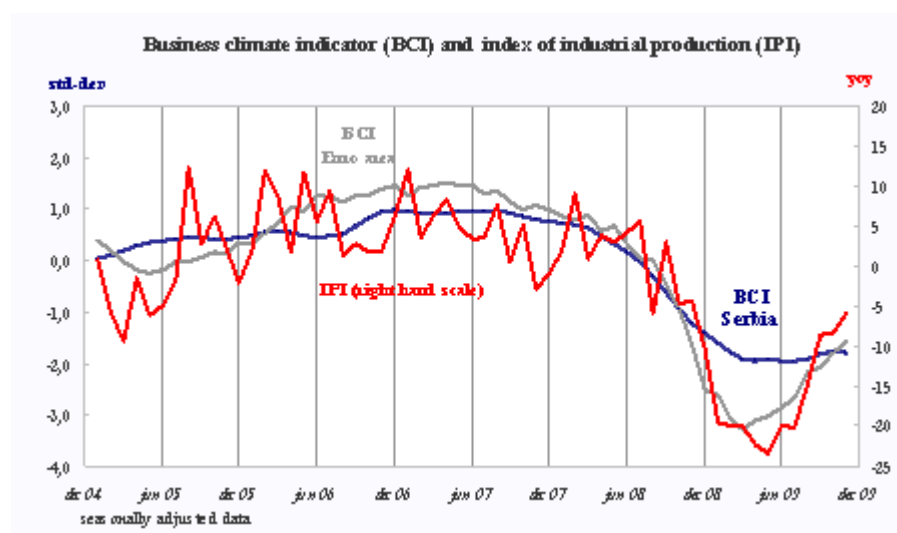
Business Climate and Forecast of Trends in Manufacturing

Analysis of the monthly RDB Business Tendency Survey (BTS) results for November, 2009

The assessment of the current business situation deteriorated in relation to October 2009 and 39% of enterprises believed their current situation was bad. Business expectations registered a slight drop in relation to October 2009 and a substantial rise in relation to November 2008 (of 35 percentage points) – 49% of the total number of surveyed enterprises believed their operating in the following six months would improve.

In comparison with October 2009 assessments on developments of exports and liquidity were more optimistic but assessments of production, prices, and demand decreased. According to the assessment of surveyed businessmen, in the period to come one expects growth of output and improvement of liquidity, but also a decline in exports, prices, and employment.

BCI – Business Climate Indicator of manufacturing industry saw a slight fall in November 2009 and was below the long-term average. BCI fell in November 2009 because of a drastic fall in the value of output, demand, and stocks of finished products in spite of the rise in the assessment of exports and production expectations.



Industrial Confidence Indicator - ICI in November 2009 registered the highest monthly value in 2009. In relation to October 2009 ICI increased by 2 percentage points and to November 2008 by 11 percentage points. The rise in the value of ICI resulted from the rise in business expectations and a decrease in stocks of finished products in spite of a drop in the assessment of total order books.

According to surveyed producers of manufacturing industry, in November 2009 the assessment of output was down by 8 percentage points in comparison with October 2009 and was below the long-term average. Production trend extrapolation suggests production activity will go down slightly in the next three months.