

## ESTONIA

Real GDP is projected to fall by 14.4% this year, to broadly stabilise in 2010 and to recover in 2011, when growth of 3.9% is expected. This projection depends largely on developments in major export markets, on the speed with which resources are reallocated toward expanding export activities and on the country's ability to attract renewed foreign direct investment inflows to the export sector as the recovery takes hold.

Maintaining the currency board with a view to adopting the euro as soon as possible remains the primary objective of economic policy. The need to meet the 3% of GDP Maastricht criterion implies that fiscal policy will remain very tight.

## Estonia: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices EEK billion	Percentage changes, volume (2000 prices)				
Private consumption	115.4	9.0	-4.7	-18.2	-4.6	1.0
Government consumption	33.9	3.7	4.1	-3.3	-4.4	0.0
Gross fixed capital formation	72.3	9.0	-12.1	-32.8	-9.4	3.6
Final domestic demand	221.6	8.2	-5.7	-19.5	-5.7	1.4
Stockbuilding <sup>1</sup>	9.8	2.3	-5.4	-6.9	-2.3	0.0
Total domestic demand	231.4	9.9	-10.3	-26.2	-8.6	1.5
Exports of goods and services	165.9	0.0	-0.7	-11.6	3.0	4.8
Imports of goods and services	190.3	4.7	-8.7	-29.8	-6.4	1.4
Net exports <sup>1</sup>	-24.4	-4.4	6.8	15.0	6.1	2.6
GDP at market prices	207.0	7.2	-3.6	-14.4	-0.8	3.9
GDP deflator	–	10.2	6.7	-1.9	-0.5	0.4
<i>Memorandum items</i>						
Index of consumer prices	–	6.6	10.4	0.0	0.1	0.4
Private consumption deflator	–	7.4	9.2	-2.5	0.2	0.0
General government financial balance <sup>2</sup>	–	2.6	-2.8	-3.0	-3.0	-2.2

Note: National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook Sources and Methods* (<http://www.oecd.org/eco/sources-and-methods>).

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

2. As a percentage of GDP.

Source: OECD Economic Outlook 86 database.