

# Forecasts for the UK Economy

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## A comparison of independent forecasts

Compiled by Economic Assessment Team

January 2004

[www.hm-treasury.gov.uk/forecasts](http://www.hm-treasury.gov.uk/forecasts)



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**Please note that Forecasts for the UK Economy is a summary of published material reflecting the views of the forecasting organisations themselves and does not in any way provide new information on the Treasury's own views. It contains only a selection of forecasters, which is subject to review. No significance should be attached to the inclusion or exclusion of any particular forecasting organisation. HM Treasury accepts no responsibility for the accuracy of material published in this comparison.**

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**The next edition will be published on 18th February 2004. It will also be available on the Treasury's Internet site: <http://www.hm-treasury.gov.uk> under 'Economic Data and Tools'.**

**FORECASTS FOR THE UK ECONOMY**  
**A comparison of independent forecasts, January 2004**

This edition of the comparison contains 32 new forecasts, all of which were received between the 7th and 19th of January. The tables below summarise the average and range of independent forecasts for 2003 and 2004 and show the average of this month's new forecasts.

Forecasts for 2003	Independent <sup>+</sup>				Average of new* forecasts
	Averages		November		
	January	December	Lowest	Highest	
GDP growth (per cent)	2.1	2.0	1.8	2.7	2.1
Inflation rate (Q4: per cent)					
- CPI	1.3	-	0.9	2.0	1.3
- RPI	2.6	2.7	2.5	3.5	2.6
Claimant unemployment (Q4: mn)	0.92	0.93	0.86	1.00	0.92
Current account (£bn)	-25.2	-23.1	-32.8	-17.4	-25.3
PSNB (2003-04: £bn)	35.2	34.9	25.6	40.0	35.2

Forecasts for 2004	Independent <sup>+</sup>				Average of new* forecasts
	Averages		November		
	January	December	Lowest	Highest	
GDP growth (per cent)	2.7	2.6	0.9	3.5	2.7
Inflation rate (Q4: per cent)					
- CPI	1.6	-	1.2	2.4	1.6
- RPI	3.0	2.9	1.7	3.9	2.9
Claimant unemployment (Q4: mn)	0.92	0.94	0.79	1.10	0.92
Current account (£bn)	-26.4	-23.8	-39.7	-13.5	-27.0
PSNB (2004-05: £bn)	36.3	36.1	24.0	45.7	36.5

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (January: 32 Institutions, December: 3 Institutions, November: 3 Institutions)

\*Based on new forecasts received for the comparison this month

Note: All the averages exclude non-standard entries (see footnotes a to ss)

**Table 1 - 2003: Growth in GDP and its components (% change)**

**Jan 2004 Comparison**

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (£bn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
<b>City Forecasters</b>										
ABN AMRO	Jan *	2.1	2.4	3.6	1.5	3.7	2.4	-1.8	0.5	-0.4
Bank of America	Jan *	2.0	2.5	3.6	1.6	2.4	2.6	-1.7	0.3	-0.6
Barclays Capital	Jan *	2.1	2.4	2.2	1.8	3.1	2.4	-2.1	0.5	-0.8
Bridgewell	Jan *	1.9	2.2	2.1	1.7	1.8	2.2	-2.1	0.2	-0.6
Capital Economics	Nov	1.8	2.2	3.7	2.0	-4.9	2.3	-1.4	0.4	-0.5
Citigroup	Jan *	2.1	2.4	1.7	2.2	3.2	2.4	-2.0	0.6	-0.3
Credit Lyonnais	Jan *	2.1	2.4	1.7	2.0	3.0	2.4	-2.1	0.3	-0.7
Credit Suisse First Boston	Jan *	2.1	2.3	1.5	2.0	3.1	2.3	-2.1	0.3	-0.7
Daiwa Institute of Research	Jan *	2.1	2.3	1.6	2.0	3.8	2.4	-2.1	0.5	-
Deutsche Bank	Jan *	2.1	2.5	1.6	2.0	3.6	2.5	-2.1	0.5	-0.7
Dresdner Kleinwort Wasserstein	Jan *	2.1	2.3	1.6	2.2	-	2.1	-2.0	0.3	-0.6
Economic Perspectives	Jan *	1.9	2.6	3.7	0.9	0.5	2.4	-2.0	0.2	-0.6
Fortis Bank	Oct	2.0	2.1	3.6	3.2	-	2.4	-0.6	0.6	-0.3
Goldman Sachs	Dec	2.1	2.5	3.7	1.7	-	2.5	-1.5	0.4	-0.5
Hermes	Jan *	2.2	2.5	1.7	2.2	3.1	2.4	-1.5	0.5	-0.6
HSBC	Jan *	2.1	2.3	1.5	2.1	3.8	2.4	-2.2	0.2	-0.7
ING Financial Markets	Jan *	2.1	2.3	1.6	2.1	2.0	2.4	-1.9	5.9	-0.7
ISIS Asset Management plc	Jun	2.2	2.5	4.5	1.0	4.2	2.6	-0.2	3.1	-1.3
J P Morgan	Jan *	2.2	2.4	1.7	2.2	4.3	2.5	-1.9	0.4	-0.7
Lehman Brothers	Jan *	2.2	2.5	1.8	2.2	3.3	2.8	-1.8	0.9	-0.8
Lombard Street	Jan *	2.0	2.4	1.5	2.0	3.0	2.4	-2.2	0.2	-0.7
Morgan Stanley	Jan *	2.1	2.3	1.9	2.0	8.1	2.1	-2.0	0.3	-0.6
RBSFM	Jan *	2.1	2.4	1.6	1.8	3.1	2.4	-2.0	0.4	-0.4
Schroders Investment Management	Jan *	2.1	2.4	2.1	2.0	3.3	2.5	-2.1	0.4	-0.7
Standard Chartered Bank	Oct	2.0	2.4	3.8	2.3	-	2.5	-1.3	0.0	-0.4
UBS	Jan *	2.1	2.3	1.5	1.9	1.8	2.3	-2.1	0.2	-0.7
WestLB AG	Jan *	2.1	2.3	1.8	2.3	3.1	2.7	-2.1	0.2	-0.6
Williams de Broe	Jan *	2.1	2.4	1.6	2.0	3.0	2.3	-1.9	0.5	-0.8
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Jan *	1.9	2.4	3.6	1.5	0.6	2.3	-1.5 kc	0.4	-0.5
CBI	Dec	2.0	2.5	3.5	1.9	-0.4	2.4	-1.1	0.5	-0.5
CEBR	Jan *	2.2	2.3	2.2	2.1	1.9	2.3	-1.3	0.2	-
Economy.com	Jan *	1.9	2.6	4.0	-0.1	-0.1	2.3	1.3	2.5	-
Experian Business Strategies	Jan *	2.7	2.9	2.9	1.6	2.8	2.6	2.2	2.1	-0.1
EIU	Jan *	1.9	2.4	1.8	2.1	-	2.4	-2.1	0.2	-0.6
Global Insight	Aug	1.8	2.8	2.7	1.1	-	2.9	-0.3	2.8	-
ITEM Club	Jan *	2.0	2.3	3.9	1.3	-0.1	2.3	-1.3	0.2	-0.4
Liverpool Macro Research	Jan *	2.0	2.5 c	5.1 d	1.7 e	-	-	-	-	-
NIESR	Nov	2.0	2.4	2.9	3.0	-0.3	2.4	-1.9	0.0	-0.5
OEF	Jan *	2.1	2.3	1.6	2.0	3.8	2.4	-2.1	0.5	-0.7
EC	Nov	2.0	2.3	3.6	3.1	-1.1	2.4	-0.6	0.9	-0.4
OECD	Jan *	1.9	2.4	3.4	2.9	-0.3 h	2.4	-0.9 ee	1.1	-0.6
IMF	Sep	1.7	2.2	3.8	1.3	0.0 h	2.4	-0.2 ee	2.0	-0.9
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.1	2.4	2.4	1.9	2.3	2.4	-1.6	0.7	-0.6
New (marked *)		2.1	2.4	2.2	1.9	2.8	2.4	-1.7	0.7	-0.6
City		2.1	2.4	2.1	1.9	2.8	2.4	-1.9	0.6	-0.6
<b>Range of Forecasts made in the last 3 months</b>										
Highest		2.7	2.9	4.0	3.1	8.1	2.8	2.2	5.9	-0.1
Lowest		1.8	2.2	1.5	-0.1	-4.9	2.1	-2.2	0.0	-0.8
Median		2.1	2.4	1.9	2.0	3.0	2.4	-2.0	0.4	-0.6
HM Treasury	Dec	2.1	2½	3¼	2¼	0	2½	-1½	½	-½

Table 2 - 2003: Growth in prices and monetary indicators (% change)

Jan 2004 Comparison

Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>									
ABN AMRO	Jan *	1.4	2.7	2.6	3.5	-	3.75	-	-
Bank of America	Jan *	-	2.6	2.6	3.4	-	3.75	27.5	-
Barclays Capital	Jan *	1.3	2.7	2.6	3.5	100.2	3.67	-	-
Bridgewell	Jan *	1.4	2.5	2.6	3.5	100.2	3.75	-	5.4
Capital Economics	Nov	-	2.9	2.6	3.4	99.4	3.75	28.3	7.5
Citigroup	Jan *	1.4	2.7	2.6	3.5	100.2	3.75	30.0	-
Credit Lyonnais	Jan *	1.3	2.6	2.6	4.0	101.0	3.75	28.8	-
Credit Suisse First Boston	Jan *	1.2	2.5	2.5	-	-	4.50	-	-
Daiwa Institute of Research	Jan *	1.3	2.6	2.6	3.7	100.3	3.75	28.8	-
Deutsche Bank	Jan *	1.3	2.7	2.6	3.5	100.2	3.75	-	7.1
Dresdner Kleinwort Wasserstein	Jan *	1.4	2.6	2.6	-	-	3.75	-	-
Economic Perspectives	Jan *	1.4	2.5	2.5	3.5	100.2	3.75	28.0	7.5
Fortis Bank	Oct	-	2.6	2.5	3.4	99.0	3.50	-	-
Goldman Sachs	Dec	-	2.8	2.7	3.6	97.0	3.80 j	-	7.1
Hermes	Jan *	2.0	2.5	2.5	3.6	101.0	3.75	-	-
HSBC	Jan *	1.3	2.6	2.5	3.4	100.5	3.75	31.0	-
ING Financial Markets	Jan *	1.4	2.6	2.6	3.6	-	3.75	28.4	-
ISIS Asset Management plc	Jun	-	2.6	2.5	3.5	-	3.50	-	-
J P Morgan	Jan *	1.2	2.7	2.7	-	-	3.75	28.0	-
Lehman Brothers	Jan *	1.3	2.7	2.6	3.5	100.2	3.75	-	-
Lombard Street	Jan *	1.4	2.5	2.6	3.7	100.0	3.75	28.0	7.0
Morgan Stanley	Jan *	1.3	2.6	2.6	3.4	100.5 j	3.75 j	-	-
RBSFM	Jan *	1.3	2.6	2.6	3.6	100.2	3.67	28.5	-
Schroders Investment Management	Jan *	1.4	2.6	2.6	3.6	-	3.75	-	-
Standard Chartered Bank	Oct	-	2.5	2.5	3.4	-	3.50	28.0	7.0
UBS	Jan *	1.2	2.5	2.5	3.8	99.0	3.75	26.5	5.5
WestLB AG	Jan *	1.3	2.5	2.6	3.2	100.9	3.75	29.4	7.3
Williams de Broe	Jan *	1.3	2.6	2.6	3.4	100.2	3.70	28.5	6.1
<b>Non-City Forecasters</b>									
Cambridge Econometrics	Jan *	-	2.9 k	2.7 k	3.4 n	100.2 k	3.70 k,s	28.5 kcc	-
CBI	Dec	-	3.5	2.6	3.6	100.1	4.40	28.1	-
CEBR	Jan *	0.9	2.6	2.5	3.8	100.3	3.97	29.1	5.7
Economy.com	Jan *	1.3	2.5	2.4	3.5	100.0	3.75	29.0	7.0
Experian Business Strategies	Jan *	1.3	2.8	2.3	4.3	99.0	4.25	27.0	-
EIU	Jan *	1.4	2.6	2.6	3.5	100.2	3.75	28.7	-
Global Insight	Aug	-	-	2.8	3.3	-	3.50	-	6.2
ITEM Club	Jan *	1.3	2.7	2.6	3.8	100.8	3.75	25.0	7.5
Liverpool Macro Research	Jan *	-	-	2.5	3.5	100.1	4.20	-	-
NIESR	Nov	-	-	2.8	4.6 n	100.0	3.67 s	27.2 v	-
OEF	Jan *	1.3	2.6	2.6	3.7	100.2	3.90	28.8	7.2
EC	Nov	1.4	2.8 k	2.8 a,k	4.3 n	-	-	28.3	-
OECD	Jan *	-	-	2.8 k	4.2 n	-	3.80 k,s	- eeg	-
IMF	Sep	-	-	2.8	-	-	-	28.5 eeg	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		1.3	2.6	2.6	3.6	100.1	3.83	28.4	6.8
New (marked *)		1.3	2.6	2.6	3.6	100.2	3.81	28.4	6.7
City		1.4	2.6	2.6	3.5	100.0	3.77	28.5	6.7
<b>Range of Forecasts made in the last 3 months</b>									
Highest		2.0	3.5	2.8	4.3	101.0	4.50	31.0	7.5
Lowest		0.9	2.5	2.3	3.2	97.0	3.67	25.0	5.4
Median		1.3	2.6	2.6	3.5	100.2	3.75	28.5	7.1
HM Treasury	Dec	1½	-	2¼	-	-	-	-	-

**Table 3 - 2003: Growth in other selected variables (% change)**

Jan 2004 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment	Claimant Unemployment (Q4,millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2003-04)
<b>City Forecasters</b>								
ABN AMRO	Jan *	2.9	0.9	5.00 aa	-0.5	-	-24.0	39.0
Bank of America	Jan *	-	-	-	0.0	2.8	-17.4	40.0
Barclays Capital	Jan *	2.7	0.7	0.91	0.4	-	-26.2	33.0 cc
Bridgewell	Jan *	2.4	-0.1	0.93	0.2	-	-25.5	35.9
Capital Economics	Nov	1.5	0.5	1.00	0.2	3.0	-27.5	37.0
Citigroup	Jan *	2.5	0.7	0.93	0.1	-	-26.1	39.0
Credit Lyonnais	Jan *	-	-	0.92	0.2	4.5	-24.6	35.5
Credit Suisse First Boston	Jan *	-	-	-	-	-	-	36.0
Daiwa Institute of Research	Jan *	2.5	0.7	0.92	-	-	-27.2	33.1
Deutsche Bank	Jan *	2.6	-	0.92	0.1	-	-24.9	3.4 g
Dresdner Kleinwort Wasserstein	Jan *	-	-	-	-	-	-24.7	37.3
Economic Perspectives	Jan *	1.3	0.3	0.92	0.0	4.0	-27.0	32.0
Fortis Bank	Oct	1.7	0.7	0.91	-	-	-17.0	31.0
Goldman Sachs	Dec	2.3	0.7	3.10 x	0.2	-	-22.1	36.2
Hermes	Jan *	-	0.3	0.92	-	-	-25.0	-
HSBC	Jan *	2.3	0.1	0.93	0.2	-	-25.4	34.0
ING Financial Markets	Jan *	-	-	-	0.1	-	-26.0	-
ISIS Asset Management plc	Jun	-	-	0.97	0.9	-	-18.0	-
J P Morgan	Jan *	-	-	-	-0.4	-	-23.3	28.0
Lehman Brothers	Jan *	2.4	-0.5 rr	0.91	0.3	-	-27.0	38.0
Lombard Street	Jan *	2.1	0.5	0.91	-	-	-26.0	30.4
Morgan Stanley	Jan *	2.0	-	-	0.3	-	-	39.3
RBSFM	Jan *	2.3	0.2	0.93	0.0	3.3	-25.8	35.6
Schroders Investment Management	Jan *	-	-	3.10 x	0.3	-	-25.4	36.8
Standard Chartered Bank	Oct	2.5	0.0	0.95	0.0	-	-16.0	31.0
UBS	Jan *	2.1	0.8	0.94	0.2	-	-25.5	36.0
WestLB AG	Jan *	2.4	0.7	0.92	0.2	4.0	-21.0	35.0
Williams de Broe	Jan *	-	0.0	0.92	0.1	4.3	-26.6	38.7
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Jan *	2.4	0.7	0.90 k	-0.1	1.7 hh	-23.6	29.2 kcc
CBI	Dec	2.2	0.7	0.92	-0.1	3.5	-25.0	35.2
CEBR	Jan *	2.5	-0.1	0.92	0.5	-	-25.2	38.2
Economy.com	Jan *	2.2	0.6	0.92	-	-	-	29.0
Experian Business Strategies	Jan *	3.3	0.7	0.86	1.4	4.5	-32.8	25.6
EIU	Jan *	2.3	0.5	0.92	0.1	3.4	-27.2	35.2
Global Insight	Aug	-	0.6	-	-0.2	-	-10.9	28.4
ITEM Club	Jan *	1.9	0.9	0.91	0.1	3.8	-24.0	35.0
Liverpool Macro Research	Jan *	-	-	0.95	-	-	-22.4	33.0 cc
NIESR	Nov	2.0	0.5	0.93 k	0.2	5.6 w	-24.7	32.1
OEF	Jan *	2.5	0.7	0.92	0.2	3.5	-27.2	37.8
EC	Nov	-	0.7	-	0.2	-	-24.2	30.3 ee
OECD	Jan *	3.1	0.9	5.00 aa	-	-	-2.7 g	2.9 eeg
IMF	Sep	-	0.6	5.20 aa	-	-	-17.1	2.5 eeg
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.3	0.5	0.92	0.2	3.7	-25.2	35.2
New (marked *)		2.4	0.5	0.92	0.2	3.8	-25.3	35.2
City		2.3	0.5	0.93	0.1	3.7	-25.0	35.8
<b>Range of Forecasts made in the last 3 months</b>								
Highest		3.3	0.9	1.00	1.4	4.5	-17.4	40.0
Lowest		1.3	-0.1	0.86	-0.5	2.8	-32.8	25.6
Median		2.4	0.7	0.92	0.2	3.7	-25.4	35.9
HM Treasury	Dec	2	-	-	¼	4 w	-24¼	37

**Table 4 - 2004: Growth in GDP and its components (% change)**

**Jan 2004 Comparison**

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (£bn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
<b>City Forecasters</b>										
ABN AMRO	Jan *	2.8	3.2	2.8	1.2	5.8	3.1	2.6	3.8	-0.3
Bank of America	Jan *	2.5	2.6	1.7	2.2	8.5	2.4	3.1	2.5	0.0
Barclays Capital	Jan *	2.8	3.0	3.4	2.0	3.2	2.9	4.3	4.5	-0.3
Bridgewell	Jan *	1.7	1.8	2.9	0.7	0.0	1.6	3.3	2.5	0.1
Capital Economics	Nov	2.3	0.5	3.8	2.5	7.0	1.6	3.5	1.0	0.7
Citigroup	Jan *	3.3	4.1	2.1	6.5	2.8	4.1	4.7	7.1	-0.8
Credit Lyonnais	Jan *	3.0	2.8	2.8	4.4	2.3	2.9	4.4	4.5	-0.2
Credit Suisse First Boston	Jan *	2.8	2.8	2.5	4.3	2.1	2.9	3.5	4.1	-0.3
Daiwa Institute of Research	Jan *	3.1	2.6	3.3	2.9	4.0	2.8	5.0	4.1	-
Deutsche Bank	Jan *	3.0	3.3	3.0	4.1	3.3	3.4	3.9	4.9	-0.5
Dresdner Kleinwort Wasserstein	Jan *	2.6	2.4	3.0	2.9	-	2.6	4.5	3.7	0.0
Economic Perspectives	Jan *	0.9	1.6	2.9	-2.5	0.0	1.1	-0.1	0.5	-0.2
Fortis Bank	Oct	3.2	1.9	2.9	5.4	-	2.8	7.0	4.9	0.4
Goldman Sachs	Dec	2.9	2.4	3.1	3.3	-	2.8	5.3	4.4	0.0
Hermes	Jan *	2.6	2.7	2.7	3.6	2.6	2.8	5.1	4.2	0.0
HSBC	Jan *	2.4	2.1	2.2	3.0	1.1	2.1	1.6	0.8	0.2
ING Financial Markets	Jan *	2.8	2.9	2.7	5.3	1.3	3.4	0.6	6.7	-0.5
ISIS Asset Management plc	Jun	2.2	1.5	4.4	2.8	4.0	2.2	7.7	4.0	0.1
J P Morgan	Jan *	3.5	3.2	3.7	7.0	0.5	3.5	6.1	4.5	0.2
Lehman Brothers	Jan *	2.8	3.1	3.1	2.8	4.4	3.2	5.4	6.1	-0.5
Lombard Street	Jan *	3.0	2.3	3.0	4.0	3.0	2.9	4.0	3.5	0.0
Morgan Stanley	Jan *	2.7	2.2	3.6	3.8	7.7	2.7	3.7	3.4	-0.1
RBSFM	Jan *	3.0	2.7	3.8	3.8	1.2	3.1	5.6	5.6	-0.1
Schroders Investment Management	Jan *	2.4	1.6	3.5	3.8	3.5	2.3	3.9	2.2	0.4
Standard Chartered Bank	Oct	2.3	2.2	3.6	2.4	2.4	2.5	2.0	2.4	-0.2
UBS	Jan *	2.6	2.3	2.5	2.5	0.6	2.4	2.4	1.9	0.1
WestLB AG	Jan *	2.8	2.9	3.5	4.0	1.1	2.8	2.4	2.7	-0.2
Williams de Broe	Jan *	2.5	3.0	2.9	3.5	3.8	3.1	5.8	7.4	-0.9
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Jan *	2.6	2.5	2.5	2.9	0.4	2.6	4.8 kc	4.3	-0.1
CBI	Dec	2.8	2.1	3.2	2.9	3.6	2.8	4.3	4.0	-0.2
CEBR	Jan *	2.4	2.0	3.1	4.2	4.0	2.2	3.3	1.5	-
Economy.com	Jan *	2.8	2.8	2.5	2.1	0.3	2.7	4.6	4.0	-
Experian Business Strategies	Jan *	2.4	2.0	2.4	3.5	2.9	2.4	4.6	4.3	-0.1
EIU	Jan *	2.5	2.3	3.1	2.4	-	2.6	3.7	4.1	-0.3
Global Insight	Aug	2.6	2.5	2.7	3.7	-	2.6	5.0	4.6	-
ITEM Club	Jan *	3.0	2.8	3.9	2.5	0.0	3.0	5.1	3.3	-0.1
Liverpool Macro Research	Jan *	2.4	2.1 c	4.3 d	2.1 e	-	-	-	-	-
NIESR	Nov	2.6	2.0	2.7	5.2	0.9	2.7	3.6	3.9	-0.2
OEF	Jan *	2.9	2.6	3.3	2.9	4.0	2.8	4.6	4.2	-0.1
EC	Nov	2.8	2.2	2.1	4.8	0.4	2.8	5.1	4.7	-0.1
OECD	Jan *	2.7	2.4	1.7	4.9	0.3 h	3.4	6.5 eg	7.0	-0.4
IMF	Sep	2.4	2.1	4.0	2.2	-0.1 h	2.4	3.7 eg	3.3	-0.1
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.7	2.5	2.9	3.3	2.7	2.7	4.0	3.9	-0.1
New (marked *)		2.7	2.6	2.9	3.3	2.7	2.8	4.0	4.0	-0.2
City		2.7	2.6	3.0	3.3	3.0	2.7	3.8	3.9	-0.1
<b>Range of Forecasts made in the last 3 months</b>										
Highest		3.5	4.1	3.9	7.0	8.5	4.1	6.5	7.4	0.7
Lowest		0.9	0.5	1.7	-2.5	0.0	1.1	-0.1	0.5	-0.9
Median		2.8	2.5	3.0	3.4	2.7	2.8	4.3	4.1	-0.1
HM Treasury	Dec	3 - 3½	2½ to 2¾	2½	6 to 6½	¼	3¼ to 3¾	5¼ to 5¾	5¼ to 5¾	-¼

Table 5 - 2004: Growth in prices and monetary indicators (% change)

Jan 2004 Comparison

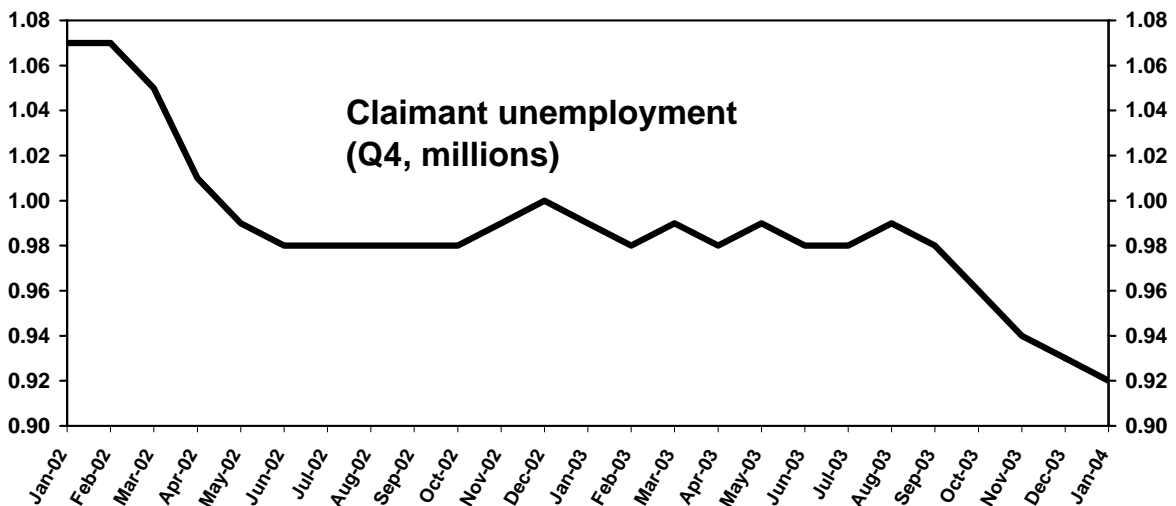
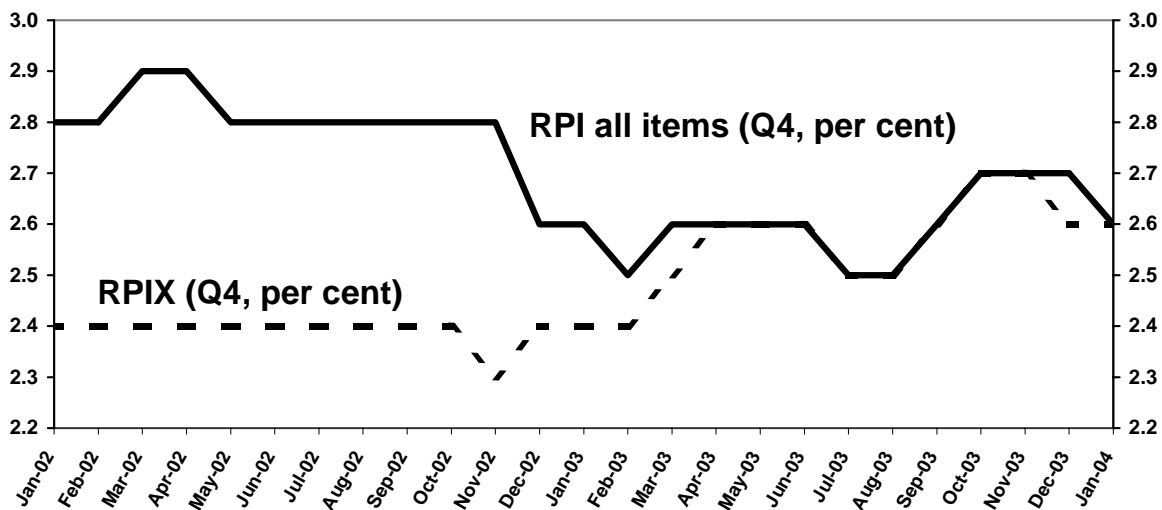
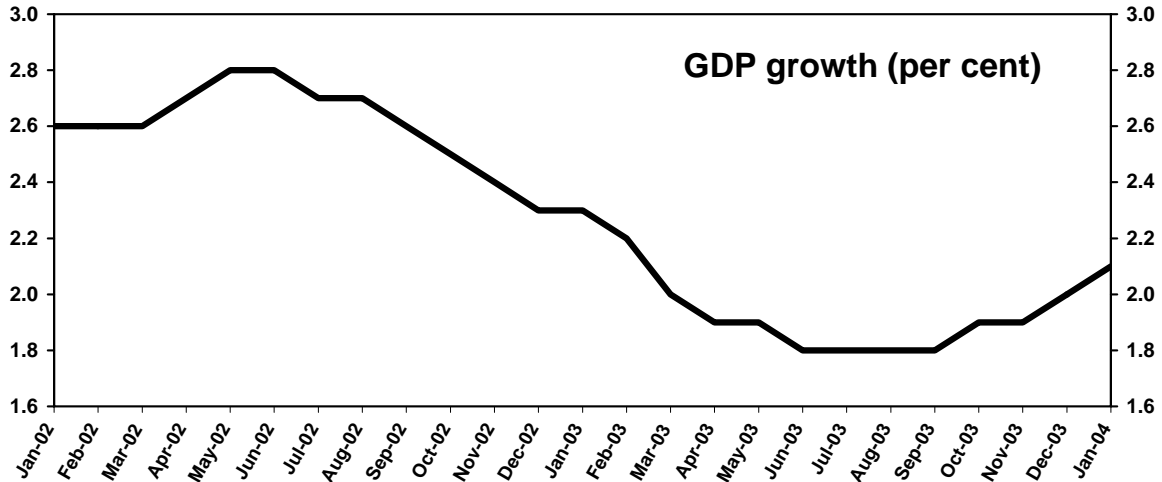
Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>									
ABN AMRO	Jan *	1.9	2.4	2.3	4.5	-	4.00	-	-
Bank of America	Jan *	1.6	2.0	2.2	3.2	-	4.25	-	-
Barclays Capital	Jan *	1.7	3.5	2.8	4.3	102.2	4.67	-	-
Bridgwell	Jan *	2.4	3.5	3.2	3.9	94.9	4.75	-	4.3
Capital Economics	Nov	-	2.8	1.9	4.0	95.3	4.25	21.2	7.0
Citigroup	Jan *	1.5	3.9	2.6	4.3	98.5	4.90	30.0	-
Credit Lyonnais	Jan *	1.6	3.1	2.6	4.4	97.0	4.50	27.0	-
Credit Suisse First Boston	Jan *	1.8	2.8	2.5	-	-	5.50	-	-
Daiwa Institute of Research	Jan *	1.7	3.8	2.4	4.1	99.5	4.50	26.2	-
Deutsche Bank	Jan *	1.6	2.9	2.4	4.4	101.7	4.25	-	6.2
Dresdner Kleinwort Wasserstein	Jan *	1.8	2.5	2.3	-	-	4.00	-	-
Economic Perspectives	Jan *	1.5	1.7	1.8	3.3	101.0	4.25	25.0	6.0
Fortis Bank	Oct	-	2.6	2.3	4.3	96.0	5.00	-	-
Goldman Sachs	Dec	-	3.5	2.7	4.6	95.0	5.00 j	-	7.6
Hermes	Jan *	2.0	2.5	2.5	4.5	102.0	4.00	-	-
HSBC	Jan *	1.8	2.7	2.5	3.3	95.5	4.50	28.0	-
ING Financial Markets	Jan *	1.6	3.1	2.3	4.3	-	4.25	26.3	-
ISIS Asset Management plc	Jun	-	3.0	2.6	4.5	-	4.00	-	-
J P Morgan	Jan *	1.6	3.8	2.7	-	-	4.75	24.6	-
Lehman Brothers	Jan *	1.9	3.2	2.7	4.0	96.0	4.25	-	-
Lombard Street	Jan *	1.8	2.8	2.6	4.3	102.0	4.75	25.0	7.0
Morgan Stanley	Jan *	1.5	3.0	2.4	3.5	102.8 j	4.50 j	-	-
RBSFM	Jan *	1.9	3.1	2.5	4.5	98.8	4.67	28.0	-
Schroders Investment Management	Jan *	1.7	3.4	2.6	3.9	-	4.50	-	-
Standard Chartered Bank	Oct	-	2.6	2.6	3.7	-	3.75	25.0	6.0
UBS	Jan *	1.4	2.6	2.5	4.0	99.0	4.50	23.0	5.0
WestLB AG	Jan *	1.5	2.7	2.3	3.2	97.0	4.50	27.0	7.5
Williams de Broe	Jan *	1.2	2.7	2.5	4.0	99.7	4.40	30.0	7.0
<b>Non-City Forecasters</b>									
Cambridge Econometrics	Jan *	-	2.3 k	2.2 k	4.3 n	100.1 k	4.10 ks	27.3 kcc	-
CBI	Dec	-	3.1	2.5	4.3	98.5	5.00	25.5	-
CEBR	Jan *	1.2	3.0	2.7	4.6	101.0	4.29	27.3	5.0
Economy.com	Jan *	1.5	2.7	2.7	3.8	102.0	4.50	25.0	6.8
Experian Business Strategies	Jan *	1.3	2.1	2.1	4.2	97.9	4.00	26.0	-
EIU	Jan *	1.5	2.9	2.5	4.1	100.7	4.25	22.4	-
Global Insight	Aug	-	-	2.6	4.1	-	4.25	-	4.7
ITEM Club	Jan *	1.5	3.3	2.3	4.4	100.7	4.75	30.0	7.2
Liverpool Macro Research	Jan *	-	-	1.9	3.5	101.5	4.30	-	-
NIESR	Nov	-	-	2.4	4.5 n	98.4	4.18 s	25.3 v	-
OEF	Jan *	1.5	3.5	2.3	4.0	104.0	4.50	26.0	7.6
EC	Nov	1.5	2.6 a	2.5 a,k	4.4 n	-	-	25.6	-
OECD	Jan *	-	-	2.6 k	4.3 n	-	4.40 k,s	- eeg	-
IMF	Sep	-	-	2.5	-	-	-	25.5 eeg	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		1.6	3.0	2.4	4.0	99.2	4.47	26.2	6.5
New (marked *)		1.6	2.9	2.5	4.0	99.7	4.46	26.5	6.3
City		1.7	3.0	2.5	4.0	98.5	4.47	26.3	6.4
<b>Range of Forecasts made in the last 3 months</b>									
Highest		2.4	3.9	3.2	4.6	104.0	5.50	30.0	7.6
Lowest		1.2	1.7	1.8	3.2	94.9	4.00	21.2	4.3
Median		1.6	2.9	2.5	4.1	99.3	4.50	26.1	7.0
HM Treasury	Dec	1%	-	2½	-	-	-	-	-

**Table 6 - 2004: Growth in other selected variables (% change)**

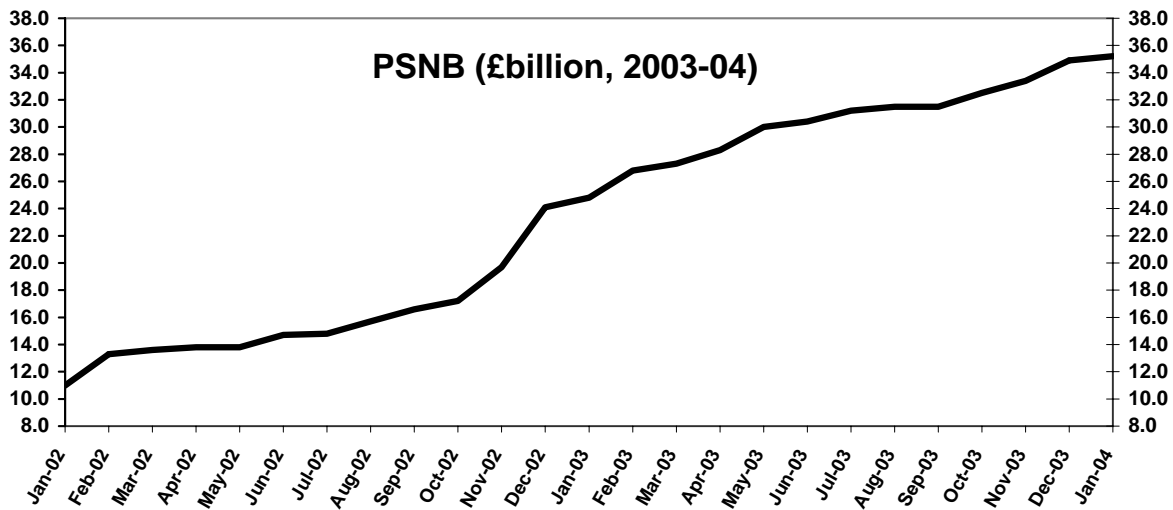
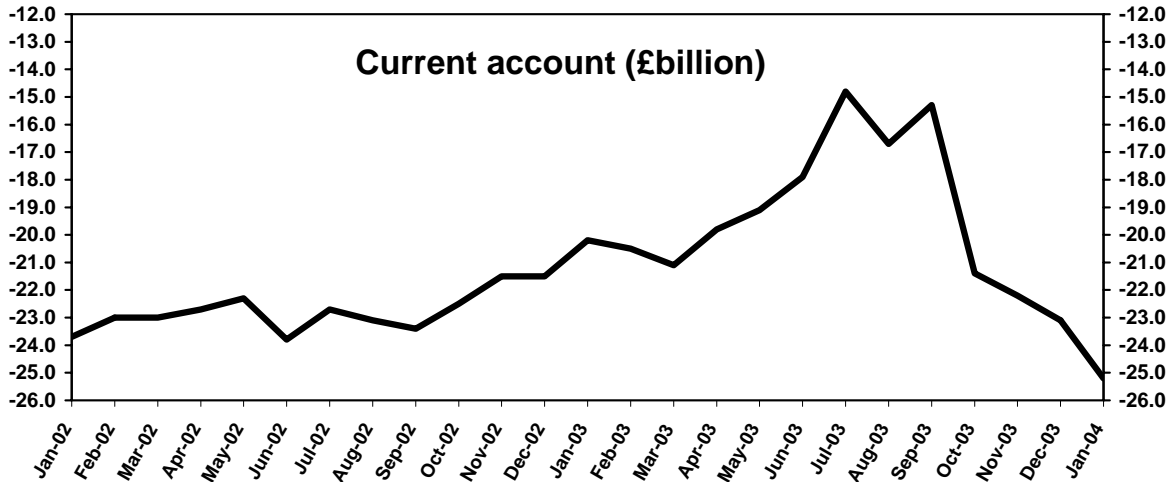
Jan 2004 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2004-05)
<b>City Forecasters</b>								
ABN AMRO	Jan *	3.0	0.6	5.00 aa	2.2	-	-30.0	38.0
Bank of America	Jan *	-	-	-	1.8	5.0	-13.5	45.7
Barclays Capital	Jan *	2.7	0.3	0.85	4.0	-	-32.5	26.0 cc
Bridgewell	Jan *	2.0	-0.2	0.92	2.1	-	-30.0	45.1
Capital Economics	Nov	1.8	0.3	1.00	3.5	5.0	-15.0	38.0
Citigroup	Jan *	3.8	0.7	0.79	0.5	-	-37.2	43.0
Credit Lyonnais	Jan *	-	-	0.83	2.1	6.0	-28.1	31.0
Credit Suisse First Boston	Jan *	-	-	-	-	-	-	32.0
Daiwa Institute of Research	Jan *	3.2	0.7	0.91	-	-	-34.7	34.0
Deutsche Bank	Jan *	3.0	-	0.85	2.4	-	-23.6	3.1 g
Dresdner Kleinwort Wasserstein	Jan *	-	-	-	-	-	-26.8	41.5
Economic Perspectives	Jan *	0.7	-0.3	1.05	-0.9	5.0	-30.0	38.0
Fortis Bank	Oct	3.3	1.0	0.81	-	-	-16.0	29.0
Goldman Sachs	Dec	3.4	1.0	3.10 x	3.5	-	-23.4	32.1
Hermes	Jan *	-	0.1	0.95	-	-	-15.0	-
HSBC	Jan *	2.6	0.0	0.98	2.2	-	-23.4	39.0
ING Financial Markets	Jan *	-	-	-	2.8	-	-25.0	-
ISIS Asset Management plc	Jun	-	-	1.30	2.4	-	-16.0	-
J P Morgan	Jan *	-	-	-	4.5	-	-21.6	24.0
Lehman Brothers	Jan *	3.2	0.1	0.94	2.3	-	-24.2	38.0
Lombard Street	Jan *	2.4	0.5	0.85	-	-	-22.0	36.0
Morgan Stanley	Jan *	2.2	-	-	2.4	-	-	36.1
RBSFM	Jan *	2.6	0.4	0.91	1.6	6.3	-27.3	35.9
Schroders Investment Management	Jan *	-	-	1.10	3.8	-	-23.1	33.3
Standard Chartered Bank	Oct	2.5	-0.2	0.97	2.5	-	-10.0	35.0
UBS	Jan *	1.9	0.2	0.92	2.2	-	-20.0	36.0
WestLB AG	Jan *	2.6	0.9	0.88	1.8	6.5	-25.0	34.0
Williams de Broe	Jan *	-	1.3	0.81	1.7	10.6	-39.7	39.6
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Jan *	3.3	0.1	1.00 k	2.3	2.7 hh	-22.5	32.1 kcc
CBI	Dec	2.3	0.6	0.90	2.4	10.9	-22.8	33.7
CEBR	Jan *	1.3	0.0	0.97	2.3	-	-28.7	43.1
Economy.com	Jan *	2.5	1.3	0.91	-	-	-	28.0
Experian Business Strategies	Jan *	2.9	0.2	0.92	1.5	4.8	-37.3	31.6
EIU	Jan *	2.5	0.2	0.89	1.5	5.5	-28.1	37.1
Global Insight	Aug	-	0.7	-	2.7	-	-10.7	32.9
ITEM Club	Jan *	2.8	0.9	0.83	2.9	6.3	-28.0	36.0
Liverpool Macro Research	Jan *	-	-	1.09	-	-	-25.4	26.0 cc
NIESR	Nov	2.3	0.2	0.94 k	2.2	9.0 w	-28.0	38.0
OEF	Jan *	3.2	0.7	0.91	1.9	6.8	-34.5	35.6
EC	Nov	-	0.5	-	2.0	-	-24.0	31.0 ee
OECD	Jan *	3.3	0.5	5.20 aa	-	-	-3.5 g	3.2 eeg
IMF	Sep	-	0.5	5.20 aa	-	-	-16.1	2.7 eeg
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.6	0.5	0.92	2.3	6.6	-26.4	36.3
New (marked *)		2.6	0.4	0.92	2.2	6.3	-27.0	36.5
City		2.6	0.4	0.91	2.3	6.3	-25.7	36.7
<b>Range of Forecasts made in the last 3 months</b>								
Highest		3.8	1.3	1.10	4.5	10.9	-13.5	45.7
Lowest		0.7	-0.3	0.79	-0.9	4.8	-39.7	24.0
Median		2.6	0.4	0.91	2.2	6.2	-25.4	36.0
HM Treasury	Dec	2½ to 2¾	-	-	1½ to 2½	7½ w	-29½	31

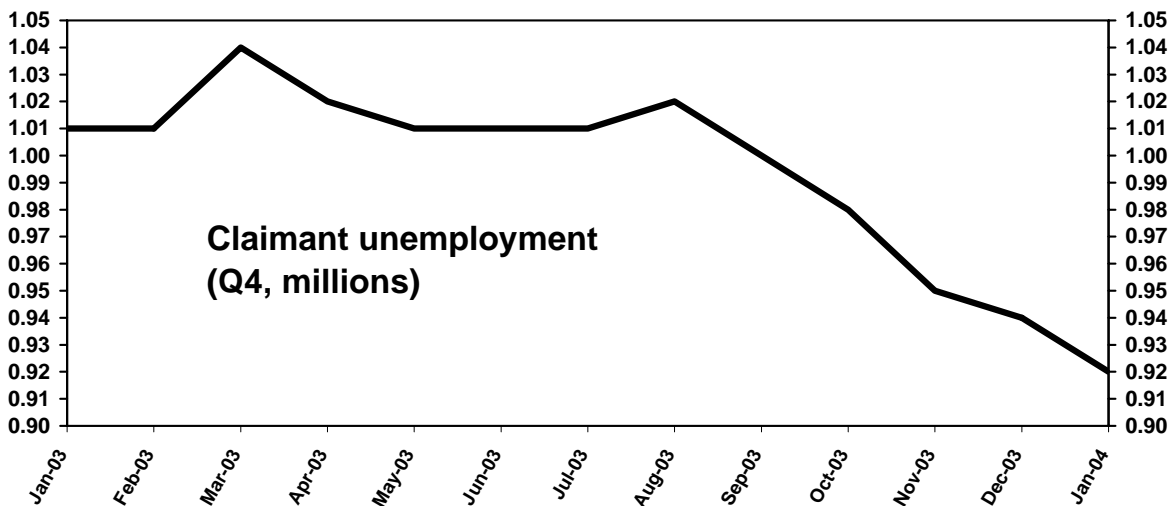
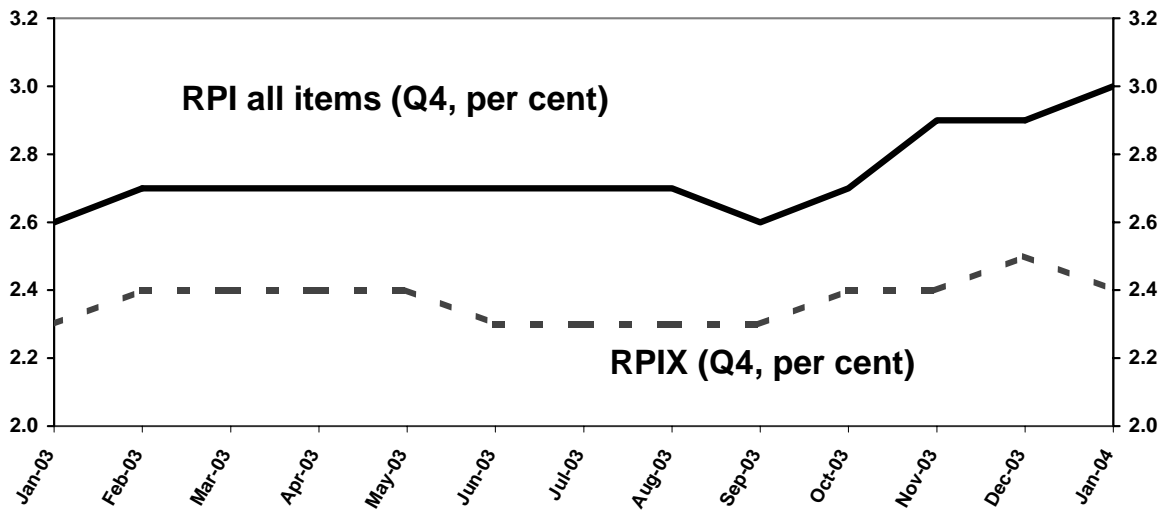
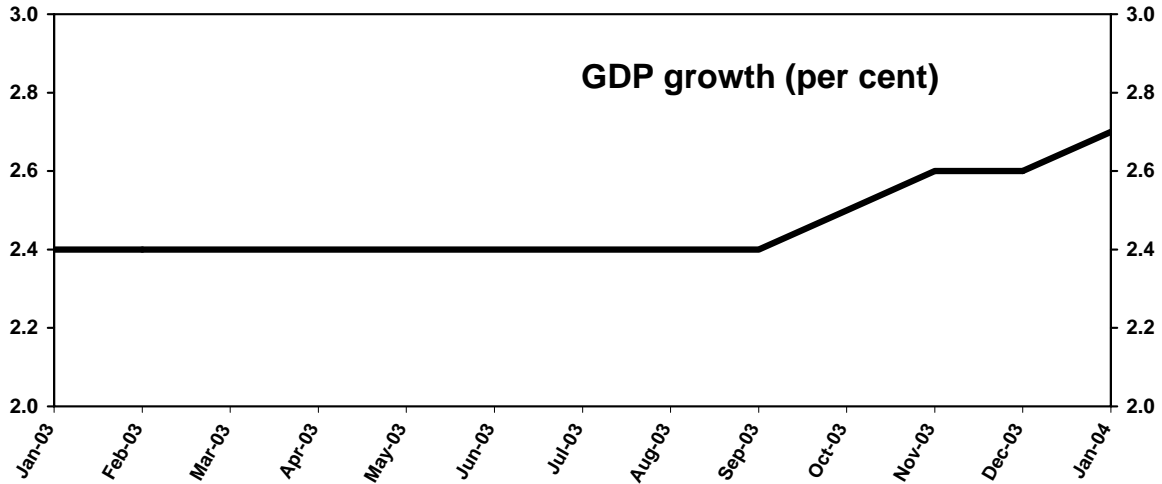
## Average of independent forecasts for 2003; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



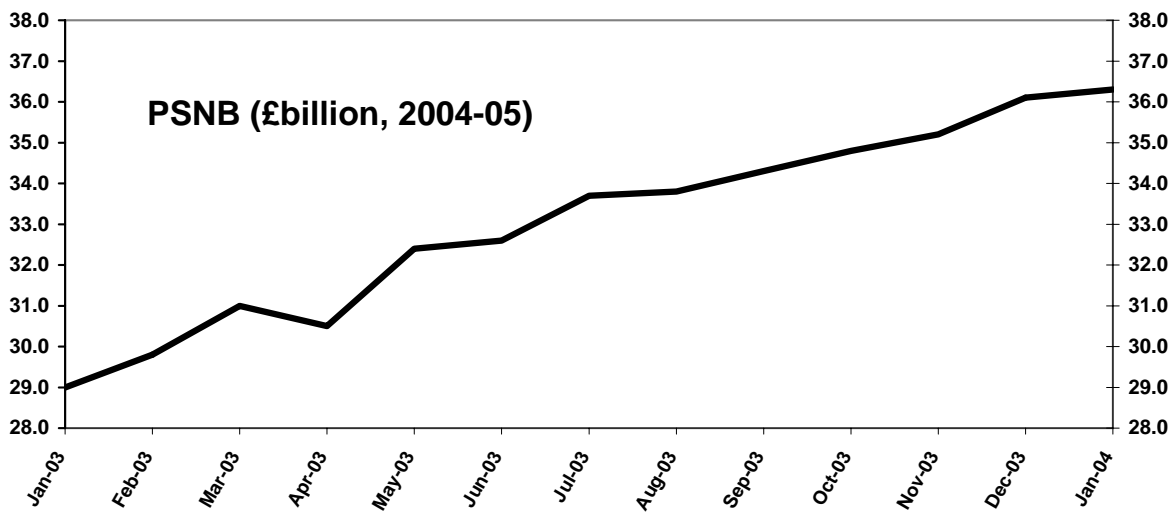
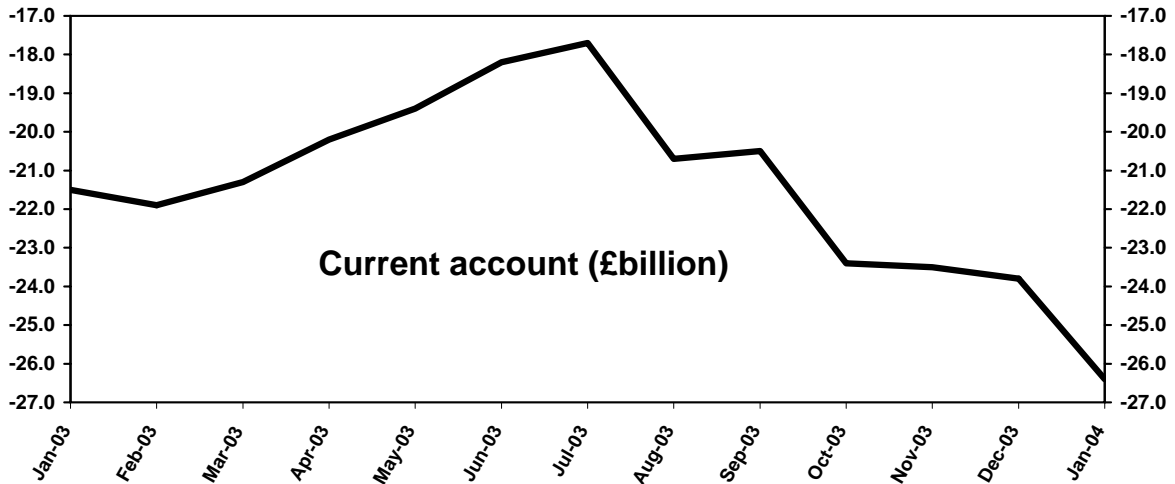
## Average of independent forecasts for 2003; Current account and PSNB (2003-04, £billion)



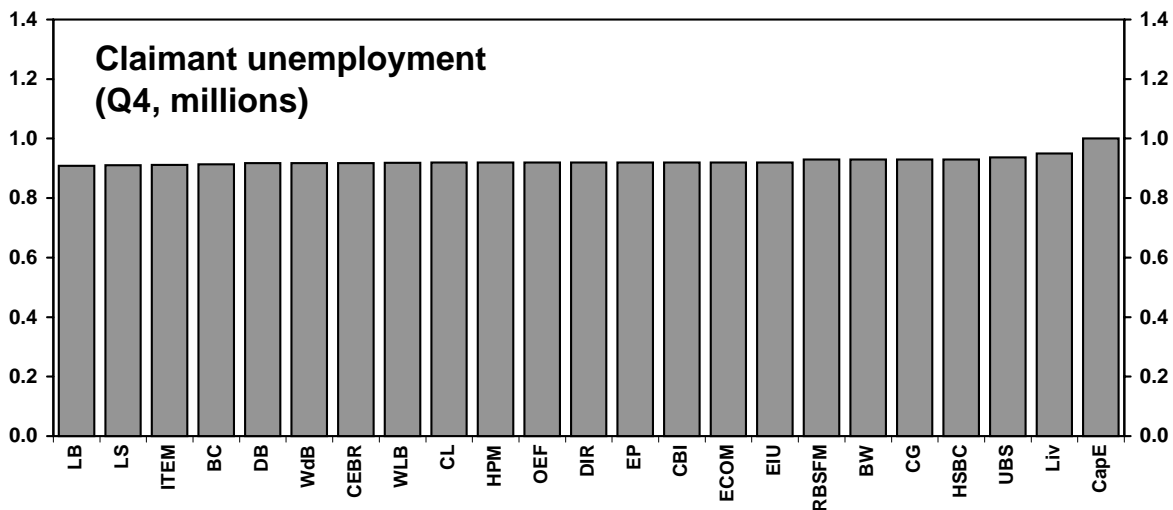
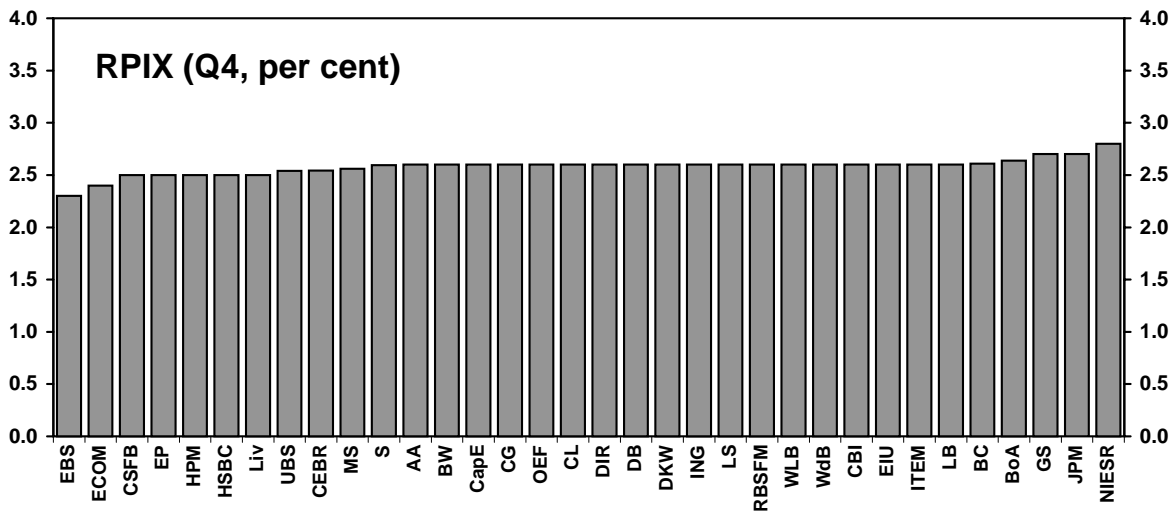
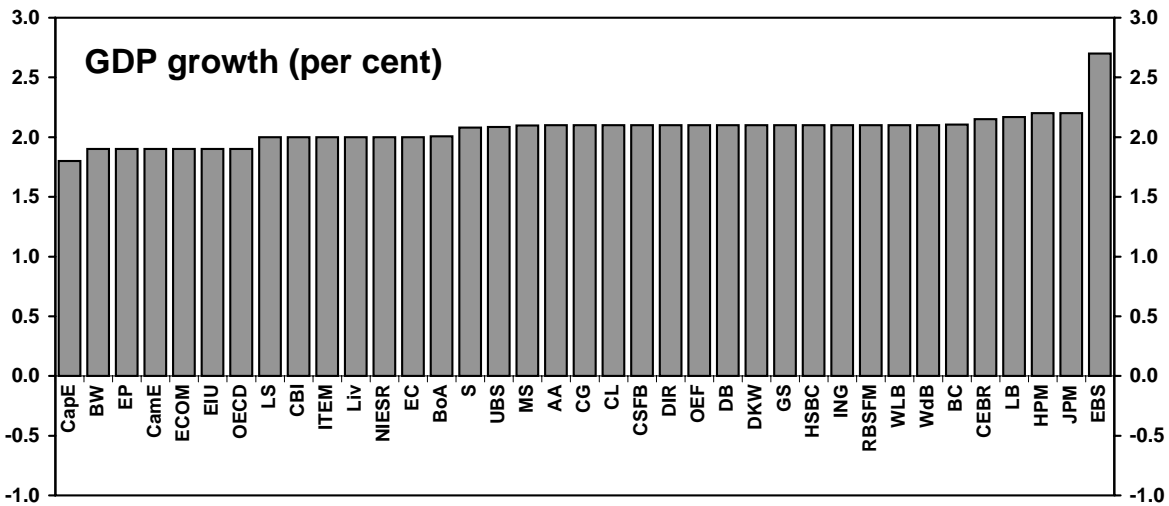
## Average of independent forecasts for 2004; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



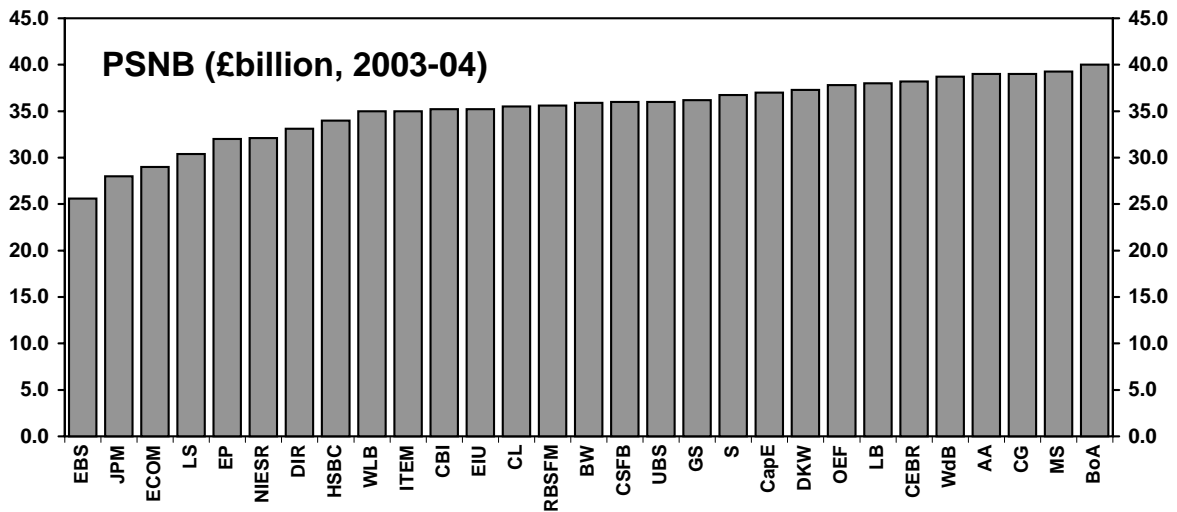
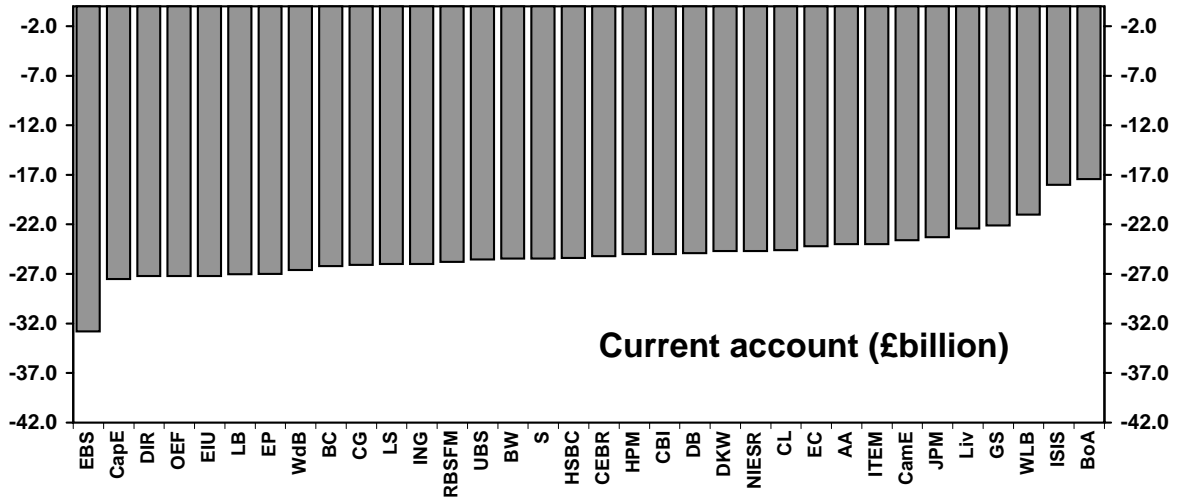
## Average of independent forecasts for 2004; Current account and PSNB (2004-05, £billion)



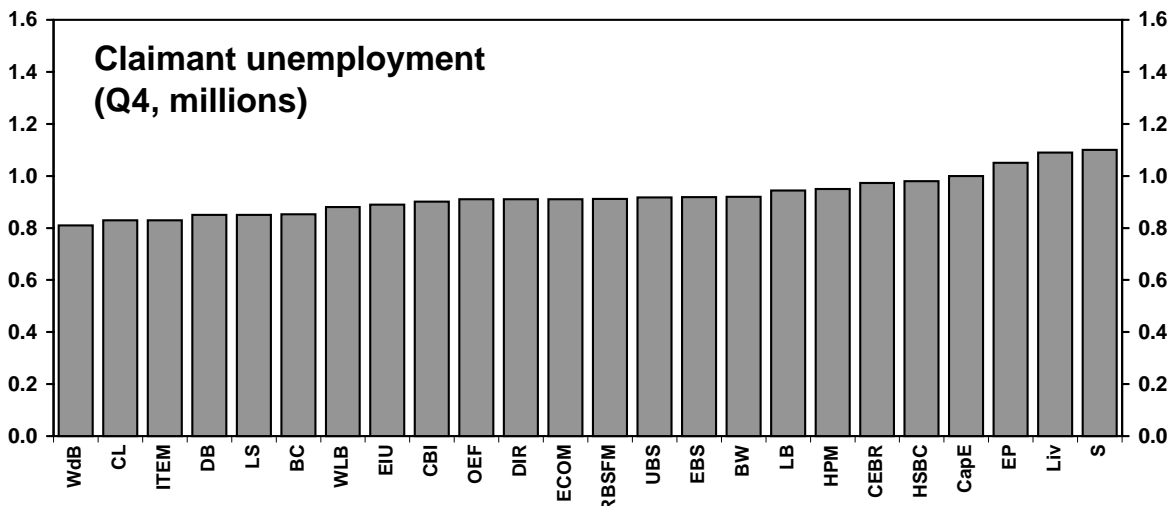
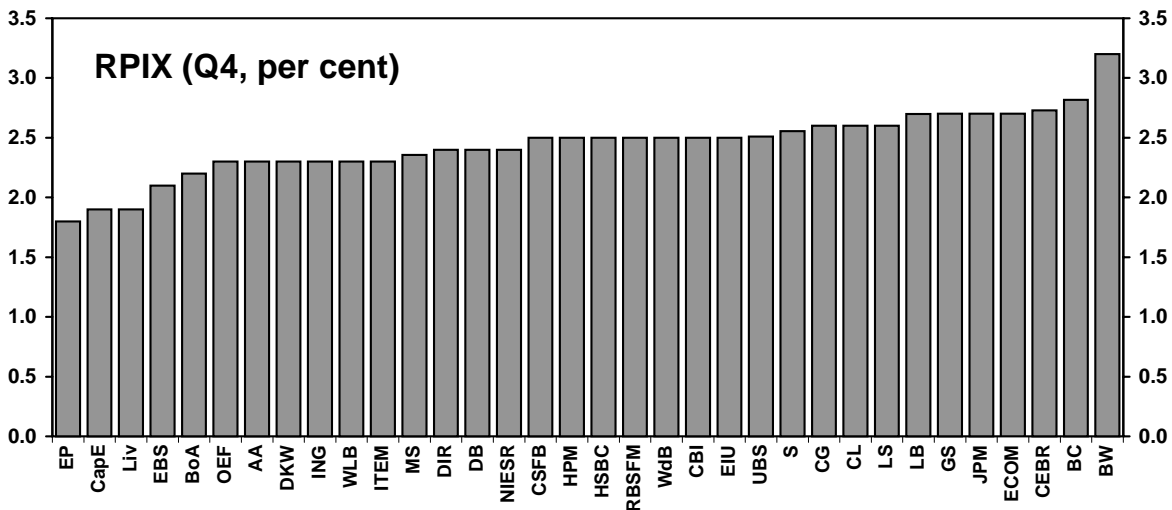
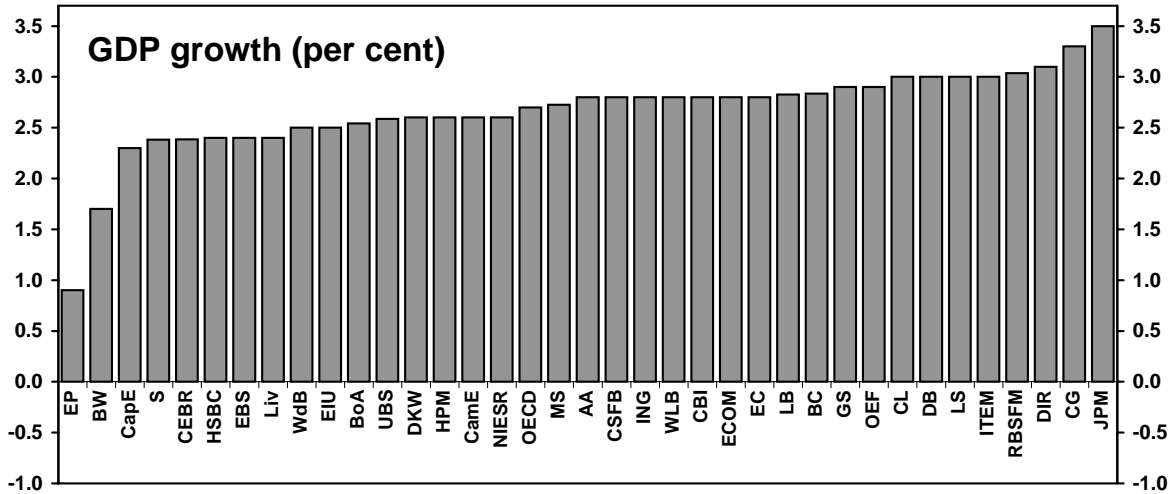
## Range of Forecasts for 2003; GDP, RPIX and Claimant Unemployment (millions) made in last 3 months



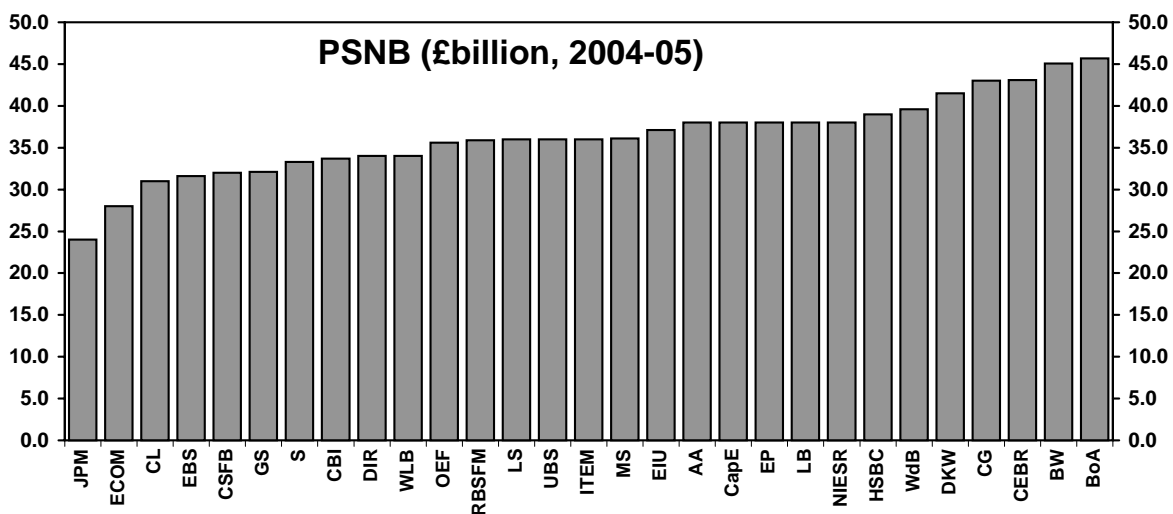
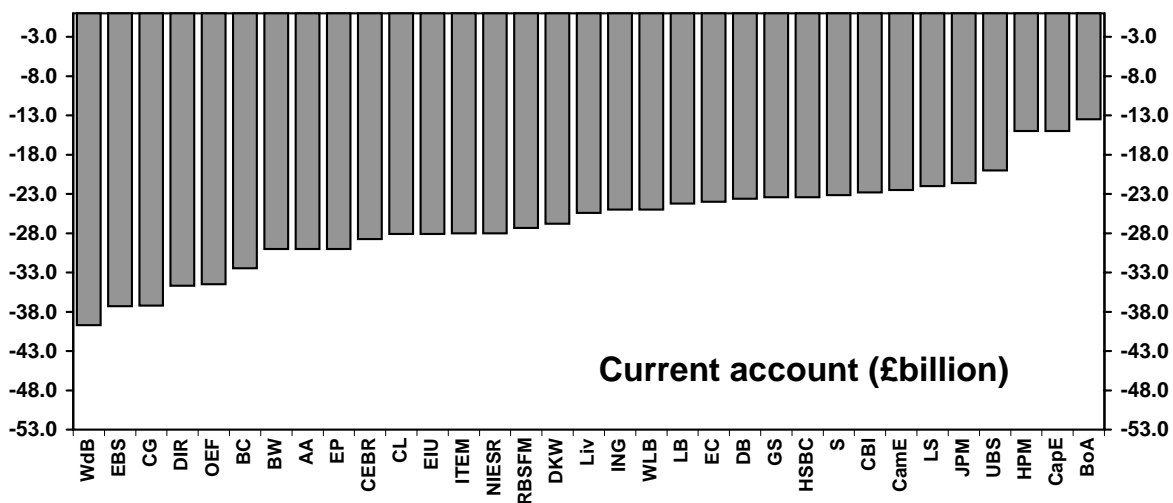
## Range of Forecasts for 2003; Current Account (£bn) and PSNB (2003-04, £bn) made in last 3 months



## Range of Forecasts for 2004; GDP, RPIX and Claimant Unemployment (millions) made in last 3 months



## Range of Forecasts for 2004; Current Account (£bn) and PSNB (2004-05, £bn) made in last 3 months



## ANNEX 1: Forecasting institutions referred to in charts and tables

AA:	ABN AMRO
BoA:	Bank of America
BW:	Bridgewell
BZW:	Barclays Capital
CamE:	Cambridge Econometrics
CapE:	Capital Economics Ltd
CG:	Citigroup
CBI:	Confederation of British Industry
CEBR:	Centre for Economics and Business Research Ltd
CL:	Credit Lyonnais
CSFB:	Credit Suisse First Boston
DIR:	Daiwa Institute of Research
DB:	Deutsche Bank
DKW:	Dresdner Kleinwort Wasserstein
EBS:	Experian Business Strategies (previously BSL)
EC:	European Commission
ECOM:	Economy.com Inc
EIU:	Economist Intelligence Unit
EP:	Economic Perspectives
FB:	Fortis Bank
GI:	Global Insight (previously DRI-WEFA)
GS:	Goldman Sachs
HSBC:	HSBC Economics and Strategy
HPM:	Hermes Pension Management Ltd
ING:	ING Financial Markets
IMF:	International Monetary Fund
ISIS:	ISIS Asset Management plc (previously FIS)
ITEM:	ITEM Club
JPM:	JP Morgan Chase
LB:	Lehman Brothers
Liv:	Liverpool Macro Research
LS:	Lombard Street Research Ltd
MS:	Morgan Stanley
NIESR:	National Institute for Economic and Social Research
OECD:	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
RBSFM:	Royal Bank Of Scotland Financial Markets
S:	Schroders Investment Management
SCB:	Standard Chartered Bank
UBS:	UBS
WLB:	WestLB AG
WdB:	Williams de Broë

## ANNEX 2: Data Definitions

GDP	National accounts table C2: Code ABMI
Private Consumption	Households + NPISH, National accounts table C2, Code ABRJ+HAYO
General Govt consumption	National accounts table C2, Code NMRY
Gross fixed investment	National accounts table C2, Code NPQT
Change in inventories (1995, £bn)	National accounts table C2, Code CAFU
Domestic Demand	National accounts table C2, Code YBIM
Exports (Goods & Services)	National accounts table C2, Code IKBK
Imports (Goods & Services)	National accounts table C2, Code IKBL
CPI (Q4)	Consumer Price Indices release, Table 1, Code CJYR
RPI (Q4)	Consumer Price Indices release, Table 1, Code CZBH
RPIX (Q4)	Consumer Price Indices release, Table 1, Code CDKQ
Headline average Earnings	Labour Market Statistics table 15, Code LNNC
Sterling Index (Q4, 1990=100)	ONS code AGBG
Bank of England repo rate (Q4)	(Previously 3 month interbank rate (Q4))
Oil price (\$ per barrel)	Brent crude, annual average
M4 growth	Bank of England Monetary and Financial statistics division Code VQJW, Calendar year (previously financial year)
RHDI	National accounts table J2, Code NRJR
Employment growth	Workforce jobs, Labour Market statistics table 4, Code DYDC
Claimant Unemployment (Q4, mn)	Labour market statistics table 10, code BCJD
Manufacturing Output	National accounts table B1, Code CKYY
World trade in Manufactures	
Current account (£bn)	Balance of payments release table A, Code HBOP
Public Sector Net Borrowing	Public sector finances release table PSF 1 / Public sector accounts table PSAT 1, Code ANNX

### ANNEX 3: Notation used in tables

a:	consumers expenditure deflator
b:	underlying consumers expenditure deflator
c:	non-durable consumption
d:	current and capital expenditure, including stockbuilding
e:	private sector investment, stockbuilding and durable consumption
f:	investment and stockbuilding combined
g:	as a percentage of GDP
h:	contribution to GDP growth - per cent
i:	hourly rate
j:	end period
k:	calendar year
m:	non-oil trade
n:	wages and salaries divided by employees in employment
o:	consumer price deflator to Q4
p:	calculated from general government financial deficit figures adjusted for privatisation proceeds
q:	forecast growth rates for Q4
r:	various definitions; refer to forecasters for details
s:	3 month interbank rate
u:	general government current and capital expenditure plus stockbuilding
v:	average of spot price of Brent crude and Dubai light crude
w:	world trade in goods and services
x:	claimant unemployment rate
z:	OECD real imports of goods and services
aa:	ILO unemployment rate
bb:	households only
cc:	PSNCR (Formerly PSBR)
dd:	harmonized index of consumer prices (HICP)
ee:	general government financial balance
ff:	gross disposable income deflated by implicit price of private consumption
gg:	1990 Prices
hh:	World GDP
ii:	OPEC average
jj:	Industrial output
kk:	Final domestic demand
ll:	GDP deflator
nn:	VAT fraud adjusted
pp:	% change on previous year
qq:	budget deficit as % of GDP
rr:	employee jobs (code BCAJ)
ss:	financial year- end

#### ANNEX 4: Organisation Contact Details

<b><u>Organisation</u></b>	<b><u>Contact</u></b>	<b><u>Telephone number</u></b>
ABN AMRO	Richard Iley	020 7678 7575
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CBI	Trevor Cullinan	020 7395 8102
CEBR	Andrij Halushka	020 7324 2860
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Credit Suisse First Boston	Neville Hill	020 7888 1334
Daiwa Institute of Research	Don Egginton	020 7597 8470
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