

# Forecasts for the UK Economy

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## A comparison of independent forecasts

Compiled by Economic Assessment Team

June 2003

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



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**Payment of the subscription fee is £75. Cheques should be made payable to "HM Treasury votes cash Account", and should be sent to Claire Coast-Smith, Public Enquiry Unit, 2/S2, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ. Could fee paying subscribers direct enquiries to Claire Coast-Smith on 0207 270 4558. Free subscribers should contact Richard Watts on 020 7270 5404. "Forecasts for the UK Economy' is compiled and coordinated by Richard Watts. Please direct enquiries on the contents of this issue to Richard Watts (020 7270 5404).**

**The next edition will be published on 23 July 2003. It will also be available on the Treasury's Internet site: <http://www.hm-treasury.gov.uk>.**

**FORECASTS FOR THE UK ECONOMY**  
**A comparison of independent forecasts, June 2003**

This edition of the comparison contains 27 new forecasts, all of which were received between the 4th and 13th of June. 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                 |       | June range |         |                           |
|                                | June                     | May   | Lowest     | Highest |                           |
| GDP growth (per cent)          | 1.8                      | 1.9   | 0.4        | 2.2     | 1.8                       |
| Inflation rate (Q4: per cent)  |                          |       |            |         |                           |
| - RPI                          | 2.6                      | 2.6   | 1.8        | 3.8     | 2.6                       |
| - RPI ex MIPs                  | 2.6                      | 2.6   | 1.9        | 3.5     | 2.6                       |
| Claimant unemployment (Q4: mn) | 0.98                     | 0.99  | 0.86       | 1.09    | 0.98                      |
| Current account (£bn)          | -17.9                    | -19.1 | -39.3      | -10.0   | -18.5                     |
| PSNB (2003-04: £bn)            | 30.4                     | 30.0  | 23.8       | 35.1    | 30.9                      |

| Forecasts for 2004             | Independent <sup>+</sup> |       |            |         | Average of new* forecasts |
|--------------------------------|--------------------------|-------|------------|---------|---------------------------|
|                                | Averages                 |       | June range |         |                           |
|                                | June                     | May   | Lowest     | Highest |                           |
| GDP growth (per cent)          | 2.4                      | 2.4   | -0.6       | 3.1     | 2.3                       |
| Inflation rate (Q4: per cent)  |                          |       |            |         |                           |
| - RPI                          | 2.7                      | 2.7   | 1.7        | 4.0     | 2.6                       |
| - RPI ex MIPs                  | 2.3                      | 2.4   | 1.5        | 3.0     | 2.3                       |
| Claimant unemployment (Q4: mn) | 1.01                     | 1.01  | 0.74       | 1.30    | 1.03                      |
| Current account (£bn)          | -18.2                    | -19.4 | -40.9      | -2.0    | -18.6                     |
| PSNB (2004-05: £bn)            | 32.6                     | 32.4  | 26.0       | 43.5    | 32.7                      |

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (June: 27 Institutions, May: 8 Institutions, April: 4 Institutions)

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

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

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

June 2003 Comparison

| Forecasters & dates of forecasts                      |       | GDP     | Private Consumption | Government Consumption | Fixed Investment | Change in Inventories (Ebn) | Domestic Demand | Total Exports | Total Imports | Net Trade Contribution |
|---|-------|---------|---------------------|------------------------|------------------|-----------------------------|-----------------|---------------|---------------|------------------------|
| <b>City Forecasters</b>                               |       |         |                     |                        |                  |                             |                 |               |               |                        |
| ABN AMRO  | Apr   | 1.4     | 2.3                 | 4.1                    | -0.6             | 0.2                         | 2.3             | 0.6           | 3.1           | -1.0                   |
| Bank of America                                       | Jun * | 1.8     | 2.6                 | 3.2                    | 0.4              | 5.4                         | 2.5 kk          | -0.8          | 2.6           | -1.3                   |
| Barclays Capital                                      | Jun * | 2.0     | 2.8                 | 3.6                    | 0.8              | 3.9                         | 3.1             | -1.6          | 1.9           | -1.3                   |
| Bridgewell  | Jun * | 0.9     | 1.9                 | 4.2                    | 0.1              | 0.3                         | 2.0             | -0.5          | 2.6           | -1.2                   |
| Capital Economics                                     | Jun * | 1.8     | 2.5                 | 3.5                    | 0.5              | 4.6                         | 2.4             | -0.5          | 1.5           | -0.6                   |
| Citigroup   | Apr   | 1.9     | 2.9                 | 3.8                    | 1.7              | 2.5                         | 3.1             | 1.6           | 4.9           | -1.2                   |
| Credit Lyonnais                                       | Jun * | 1.7     | 2.7                 | 3.9                    | 0.8              | 0.4                         | 3.0             | -1.4          | 2.5           | -1.5                   |
| Credit Suisse First Boston                            | Jun * | 2.1     | 3.0                 | 4.0                    | 1.3              | 4.3                         | 3.3             | -0.8          | 3.0           | -1.5                   |
| Daiwa Institute of Research                           | May   | 2.2     | 3.2                 | 3.8                    | 1.0              | 2.2                         | 3.3             | 1.7           | 4.8           | -1.1                   |
| Deutsche Bank   | Jun * | 1.8     | 3.1                 | 3.7                    | 1.0              | 0.5                         | 3.5             | -1.3          | 3.0           | -1.6                   |
| Dresdner Kleinwort Wasserstein                        | Dec   | 2.2     | 2.9                 | 3.4                    | 3.9              | 0.0                         | 3.1             | 2.8           | 4.8           | -0.9                   |
| Economic Perspectives                                 | Jun * | 0.4     | 2.0                 | 3.7                    | -1.9             | 0.1                         | 1.7             | -2.5          | 1.3           | -1.4                   |
| Fortis Bank   | Apr   | 2.0     | 2.3                 | 3.6                    | 2.5              | 3.7                         | 3.0             | -0.5          | 2.7           | -1.1                   |
| Goldman Sachs   | Jun * | 2.0     | 2.5                 | 2.9                    | 1.2              | 0.5 h                       | 2.8             | -0.8          | 1.9           | -1.0                   |
| Hermes  | Jun * | 1.9     | 2.8                 | 3.7                    | 0.7              | 2.5                         | 2.9             | -0.2          | 3.0           | -1.2                   |
| HSBC Economics and Strategy                           | Jun * | 1.9     | 2.8                 | 2.5                    | 1.7              | 0.7                         | 3.2             | -1.6          | 1.9           | -1.3                   |
| ING Financial Markets                                 | Jun * | 1.7     | 2.9                 | 3.8                    | 1.0              | 4.4                         | 3.2             | -2.1          | 2.6           | -1.7                   |
| 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  | May   | 2.0     | 2.7                 | 3.4                    | 0.3              | -                           | 3.6             | -0.4          | 0.8           | -0.4                   |
| Lehman Brothers                                       | Jun * | 1.4     | 2.3                 | 4.3                    | -1.4             | 3.7                         | 2.4             | -0.5          | 2.6           | -1.2                   |
| Lombard Street  | Mar   | 2.5     | 3.0                 | 4.0                    | 1.3              | 3.0                         | 3.0             | 2.6           | 4.0           | -0.7                   |
| Morgan Stanley  | Jun * | 1.7     | 2.3                 | 3.1                    | 1.7              | -                           | 2.4             | -0.5          | 2.1           | -1.0                   |
| RBSFM   | Jun * | 1.9     | 2.7                 | 4.0                    | 1.4              | 2.8                         | 3.0             | -0.6          | 3.0           | -1.2                   |
| Schroders Investment Management                       | Jun * | 1.8     | 2.4                 | 3.7                    | 2.8              | 4.9                         | 3.1             | -1.0          | 3.1           | -1.6                   |
| Standard Chartered Bank                               | Jun * | 1.9     | 2.7                 | 3.9                    | 1.7              | 2.0                         | 3.0             | -1.3          | 2.0           | -1.2                   |
| UBS   | Jun * | 1.9     | 2.5                 | 3.9                    | 0.5              | 6.6                         | 3.1             | -1.5          | 2.1           | -1.4                   |
| WestLB AG   | Jun * | 1.7     | 2.4                 | 3.4                    | 1.5              | 3.0                         | 2.6             | -0.5          | 3.2           | -1.4                   |
| Williams de Broe                                      | Jun * | 2.0     | 2.2                 | 3.8                    | 4.3              | 3.5                         | 3.2             | 2.8           | 5.8           | -1.6                   |
| <b>Non-City Forecasters</b>                           |       |         |                     |                        |                  |                             |                 |               |               |                        |
| Cambridge Econometrics                                | Jun * | 2.0     | 2.6                 | 3.9                    | 1.1              | 1.5                         | 2.5             | 0.6           | 3.1           | -1.0                   |
| CBI   | Jun * | 2.1     | 2.4                 | 3.2                    | 2.9              | 0.6                         | 2.7             | -0.1          | 1.8           | -0.7                   |
| CEBR  | Jun * | 1.5     | 0.5                 | 2.4                    | 0.8              | 3.3                         | 1.4             | 2.6           | 1.6           | -                      |
| Economy.com   | Jun * | 1.8     | 2.7                 | 4.0                    | -0.3             | -0.1                        | 1.8             | 1.0           | 2.5           | -0.8                   |
| Experian Business Strategies                          | May   | 2.2     | 2.6                 | 3.2                    | 3.2              | 0.8                         | 2.9             | -0.8          | 1.8           | -1.0                   |
| EIU   | Jan   | 1.9     | 1.8                 | 3.3                    | 1.0              | -                           | 2.0             | 2.1           | 2.3           | -0.2                   |
| Global Insight  | May   | 2.0     | 2.8                 | 2.9                    | 0.8              | -                           | 2.6             | 0.9           | 2.5           | -                      |
| ITEM Club   | May   | 1.9     | 2.7                 | 3.2                    | 1.2              | 0.0                         | 2.7             | 1.5           | 2.4           | -1.0                   |
| Liverpool Macro Research                              | Jun * | 1.9     | 3.8 c               | 4.0 d                  | -0.8 e           | -                           | -               | -             | -             | -                      |
| NIESR   | May   | 2.2     | 2.4                 | 3.0                    | 4.2              | 0.1                         | 2.8             | 0.7           | 2.6           | -0.8                   |
| OEF   | Jun * | 1.9     | 3.0                 | 3.6                    | 1.2              | 2.8                         | 3.2             | -0.8          | 3.1           | -1.5                   |
| EC  | May   | 2.2     | 2.3                 | 4.0                    | 3.4              | -0.5                        | 2.8             | 1.9           | 3.6           | -0.8                   |
| OECD  | May   | 2.1     | 2.2                 | 2.1                    | 1.9              | 0.3 h                       | 2.4             | 2.1           | 2.9           | -0.5                   |
| IMF   | Apr   | 2.0     | 2.1                 | 3.6                    | 3.1              | 0.1                         | 2.7             | 0.6           | 2.5           | -                      |
| <b>Average of Forecasts made in the last 3 months</b> |       |         |                     |                        |                  |                             |                 |               |               |                        |
| Independent   |       | 1.8     | 2.5                 | 3.6                    | 1.3              | 2.3                         | 2.8             | -0.1          | 2.7           | -1.2                   |
| New (marked *)  |       | 1.8     | 2.5                 | 3.6                    | 1.0              | 2.8                         | 2.7             | -0.5          | 2.6           | -1.3                   |
| City  |       | 1.8     | 2.6                 | 3.7                    | 1.0              | 2.9                         | 2.9             | -0.6          | 2.7           | -1.2                   |
| <b>Range of Forecasts made in the last 3 months</b>   |       |         |                     |                        |                  |                             |                 |               |               |                        |
| Highest   |       | 2.2     | 3.2                 | 4.5                    | 4.3              | 6.6                         | 3.6             | 2.8           | 5.8           | -0.4                   |
| Lowest  |       | 0.4     | 0.5                 | 2.1                    | -1.9             | -0.5                        | 1.4             | -2.5          | 0.8           | -1.7                   |
| Median  |       | 1.9     | 2.5                 | 3.7                    | 1.2              | 2.5                         | 2.8             | -0.5          | 2.6           | -1.2                   |
| HM Treasury   | Apr   | 2 to 2½ | 2¾ to 3             | 3¾                     | 4¼ to 4¾         | -0.3 to 0.2                 | 3 to 3½         | 1¼ to 1½      | 4 to 4¼       | -1¼                    |

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

June 2003 Comparison

| Forecasters & dates of forecasts                      |       | RPI (Q4) | RPIX (Q4) | Average Earnings | Sterling Index (Q4) | Bank of England Repo Rate (Q4,%) | Oil price (\$) | M4  |
|---|-------|----------|-----------|------------------|---------------------|----------------------------------|----------------|-----|
| <b>City Forecasters</b>                               |       |          |           |                  |                     |                                  |                |     |
| ABN AMRO  | Apr   | 2.0      | 2.6       | 3.8              | 99.5                | 2.75                             | 24.8           | -   |
| Bank of America                                       | Jun * | 2.5      | 2.5       | 3.7              | -                   | 3.25                             | 25.5           | 5.1 |
| Barclays Capital                                      | Jun * | 2.6      | 2.6       | 3.8              | 98.5                | 3.75                             | -              | -   |
| Bridgewell  | Jun * | 3.8      | 3.5       | 4.1              | 97.0                | 4.25                             | -              | 5.3 |
| Capital Economics                                     | Jun * | 2.0      | 2.2       | 3.3              | 100.5               | 3.10                             | 25.0           | 6.0 |
| Citigroup   | Apr   | 3.8      | 3.4       | 3.8              | 99.0                | 4.20                             | 25.0           | -   |
| Credit Lyonnais                                       | Jun * | 2.4      | 2.5       | 3.9              | 99.0                | 3.25                             | 28.0           | -   |
| Credit Suisse First Boston                            | Jun * | -        | 2.8       | -                | -                   | 4.00                             | -              | -   |
| Daiwa Institute of Research                           | May   | 2.5      | 2.5       | 4.1              | 102.1               | 3.75                             | 25.8           | -   |
| Deutsche Bank   | Jun * | 2.3      | 2.4       | 3.9              | 94.0                | 3.00                             | -              | 6.5 |
| Dresdner Kleinwort Wasserstein                        | Dec   | 1.9      | 2.0       | 3.8              | 105.5               | 3.75                             | -              | -   |
| Economic Perspectives                                 | Jun * | 2.2      | 1.9       | 3.5              | 97.0                | 3.50                             | 25.0           | 7.0 |
| Fortis Bank   | Apr   | 2.3      | 2.4       | 4.0              | 101.3               | 3.75                             | 26.0           | -   |
| Goldman Sachs   | Jun * | 3.2      | 3.0       | 3.9              | 95.0                | 3.90 js                          | 27.8           | 6.4 |
| Hermes  | Jun * | 2.5      | 2.5       | 3.8              | 92.0                | 3.50                             | -              | -   |
| HSBC Economics and Strategy                           | Jun * | 2.9      | 2.9       | 3.7              | 96.0                | 3.75                             | -              | -   |
| ING Financial Markets                                 | Jun * | 2.6      | 2.7       | 4.2              | -                   | 3.50                             | -              | 6.2 |
| ISIS Asset Management plc                             | Jun * | 2.6      | 2.5       | 3.5              | -                   | 3.50                             | -              | -   |
| J P Morgan  | May   | 2.3      | 2.3       | -                | -                   | 3.75                             | 26.7           | -   |
| Lehman Brothers                                       | Jun * | 2.5      | 2.6       | 3.9              | 96.0                | 3.50                             | -              | -   |
| Lombard Street  | Mar   | 3.2      | 3.1       | 4.7              | 100.0               | 4.00                             | 23.0           | 7.9 |
| Morgan Stanley  | Jun * | 2.6      | 2.7       | 3.7              | -                   | 3.50 j                           | -              | -   |
| RBSFM   | Jun * | 2.7      | 2.8       | 3.9              | 97.0                | 3.75                             | 26.2           | -   |
| Schroders Investment Management                       | Jun * | 2.9      | 2.8       | 3.2              | -                   | 3.50                             | -              | -   |
| Standard Chartered Bank                               | Jun * | 2.2      | 2.3       | 3.4              | 97.0                | 3.50                             | 24.0           | 6.0 |
| UBS   | Jun * | 2.4      | 2.4       | 4.0              | 104.0               | 3.75                             | 26.5           | 5.5 |
| WestLB AG   | Jun * | 3.2      | 2.7       | 3.2              | 98.0                | 3.50                             | 25.0           | 6.0 |
| Williams de Broe                                      | Jun * | 2.3      | 2.5       | 4.2              | 97.2                | 3.40                             | 27.4           | 6.3 |
| <b>Non-City Forecasters</b>                           |       |          |           |                  |                     |                                  |                |     |
| Cambridge Econometrics                                | Jun * | 2.9 k    | 2.7 k     | 3.5 n            | 103.5 k             | 3.80 ks                          | 25.9           | -   |
| CBI   | Jun * | 2.3      | 2.4       | 4.0              | 100.0               | 3.50                             | 24.8           | -   |
| CEBR  | Jun * | 1.8      | 2.0       | 3.8              | 102.2               | 3.42                             | 21.0           | 3.9 |
| Economy.com   | Jun * | 3.2      | 3.2       | 3.5              | 99.0                | 3.90                             | 26.5           | 6.6 |
| Experian Business Strategies                          | May   | 3.1      | 3.0       | 3.4              | 101.0               | 3.75                             | 29.6           | -   |
| EIU   | Jan   | 2.6      | 2.3       | 3.8              | 103.9               | 4.25                             | 24.5           | -   |
| Global Insight  | May   | -        | 2.4       | 3.8              | -                   | 3.75                             | -              | 5.5 |
| ITEM Club   | May   | 2.7      | 2.6       | 4.3              | 99.0                | 3.80                             | 24.0           | 4.0 |
| Liverpool Macro Research                              | Jun * | -        | 2.5       | 2.8              | 108.2               | 3.50                             | -              | -   |
| NIESR   | May   | 2.6      | 2.7       | -                | 99.1                | 3.82 s                           | 24.9 ii        | -   |
| OEF   | Jun * | 2.6      | 2.5       | 4.0              | 99.3                | 3.80                             | 26.9           | 6.5 |
| EC  | May   | 2.5 a    | 1.1 ak    | 4.5 n            | -                   | -                                | 27.6           | -   |
| OECD  | May   | 1.8 kil  | 3.1 k     | 4.5 n            | -                   | 3.80 ks                          | -              | -   |
| IMF   | Apr   | -        | 2.8       | -                | -                   | -                                | -              | -   |
| <b>Average of Forecasts made in the last 3 months</b> |       |          |           |                  |                     |                                  |                |     |
| Independent   |       | 2.6      | 2.6       | 3.8              | 98.8                | 3.59                             | 25.9           | 5.8 |
| New (marked *)  |       | 2.6      | 2.6       | 3.7              | 98.3                | 3.56                             | 25.7           | 6.0 |
| City  |       | 2.6      | 2.6       | 3.8              | 97.9                | 3.56                             | 25.9           | 6.0 |
| <b>Range of Forecasts made in the last 3 months</b>   |       |          |           |                  |                     |                                  |                |     |
| Highest   |       | 3.8      | 3.5       | 4.3              | 108.2               | 4.25                             | 29.6           | 7.0 |
| Lowest  |       | 1.8      | 1.9       | 2.8              | 92.0                | 2.75                             | 21.0           | 3.9 |
| Median  |       | 2.6      | 2.6       | 3.8              | 99.0                | 3.50                             | 25.9           | 6.0 |
| HM Treasury   | Apr   | -        | 2¾        | -                | -                   | -                                | -              | -   |

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

June 2003 Comparison

| Forecasters & dates of forecasts                      |       | Real Household<br>Disposable Income | Employment | Claimant<br>Unemployment<br>(Q4, millions) | Manufacturing<br>Output | World Trade in<br>Manufactures | Current account<br>(£bn) | PSNB (£bn 2003-04) |
|---|-------|-------------------------------------|------------|--|-------------------------|--------------------------------|--------------------------|--------------------|
| <b>City Forecasters</b>                               |       |                                     |            |  |                         |                                |                          |                    |
| ABN AMRO  | Apr   | 1.6                                 | -0.4       | 1.00                                       | 0.0                     | 2.0                            | -23.0                    | 31.1               |
| Bank of America                                       | Jun * | -                                   | -          | -  | 0.1                     | -                              | -10.0                    | -                  |
| Barclays Capital                                      | Jun * | 1.9                                 | 0.0        | 0.99                                       | 0.0                     | -                              | -17.6                    | 32.4 cc            |
| Bridgewell  | Jun * | 1.0                                 | 0.1        | 0.99                                       | -0.6                    | -                              | -22.8                    | 30.1               |
| Capital Economics                                     | Jun * | 1.2                                 | -0.1       | 1.00                                       | 0.0                     | -                              | -15.0                    | 34.0               |
| Citigroup   | Apr   | 2.4                                 | 0.5        | 0.86                                       | -0.2                    | -                              | -22.1                    | 34.0               |
| Credit Lyonnais                                       | Jun * | -                                   | -          | 0.95                                       | -0.1                    | 3.7                            | -19.2                    | 31.5               |
| Credit Suisse First Boston                            | Jun * | -                                   | -          | -  | -                       | -                              | -                        | 33.0               |
| Daiwa Institute of Research                           | May   | 2.1                                 | 0.2        | 0.94                                       | -                       | -                              | -15.9                    | 30.3               |
| Deutsche Bank   | Jun * | 2.2                                 | -          | 0.99                                       | -0.9                    | -                              | -15.8                    | 30.0               |
| Dresdner Kleinwort Wasserstein                        | Dec   | 2.5                                 | 0.2        | 0.96                                       | 1.1                     | -                              | -24.5                    | 27.2               |
| Economic Perspectives                                 | Jun * | 1.3                                 | -0.4       | 1.00                                       | -1.5                    | 2.5                            | -16.0                    | 32.0               |
| Fortis Bank   | Apr   | 2.0                                 | 0.5        | 3.10 x                                     | -0.1                    | -                              | -16.0                    | 27.0               |
| Goldman Sachs   | Jun * | -                                   | 0.3        | 0.99                                       | 0.3                     | -                              | -14.7                    | 33.3               |
| Hermes  | Jun * | -                                   | 0.0        | 1.04                                       | -                       | -                              | -18.0                    | -                  |
| HSBC Economics and Strategy                           | Jun * | -                                   | -0.2       | 0.95                                       | 0.3                     | -                              | -18.0                    | 31.0               |
| ING Financial Markets                                 | Jun * | -                                   | -          | -  | -                       | -                              | -                        | -                  |
| ISIS Asset Management plc                             | Jun * | -                                   | -          | 0.97                                       | 0.9                     | -                              | -18.0                    | -                  |
| J P Morgan  | May   | -                                   | -          | -  | -0.6                    | -                              | -15.0                    | 30.4               |
| Lehman Brothers                                       | Jun * | 1.9                                 | -0.4       | 1.00                                       | -1.0                    | -                              | -13.7                    | 34.0               |
| Lombard Street  | Mar   | 2.0                                 | 0.2        | 0.91                                       | -                       | -                              | -23.0                    | 28.0               |
| Morgan Stanley  | Jun * | 1.5                                 | 0.6        | -  | -0.1                    | -                              | -                        | 31.0               |
| RBSFM   | Jun * | 2.5                                 | 0.4        | 0.99                                       | -0.3                    | 3.4                            | -17.7                    | 30.7               |
| Schroders Investment Management                       | Jun * | -                                   | -          | 3.35 x                                     | 1.3                     | -                              | -24.0                    | 30.6               |
| Standard Chartered Bank                               | Jun * | 2.5                                 | -0.5       | 1.00                                       | 1.6                     | -                              | -18.0                    | 30.0               |
| UBS   | Jun * | 2.1                                 | 0.4        | 0.94                                       | 0.4                     | -                              | -11.0                    | 30.0               |
| WestLB AG   | Jun * | 2.4                                 | 0.2        | 0.96                                       | 0.0                     | 4.0                            | -17.0                    | 27.0               |
| Williams de Broe                                      | Jun * | -                                   | 0.4        | 0.87                                       | 1.0                     | 8.7                            | -20.3                    | 26.8               |
| <b>Non-City Forecasters</b>                           |       |                                     |            |  |                         |                                |                          |                    |
| Cambridge Econometrics                                | Jun * | 2.7                                 | 0.1 Jun    | 1.00 k                                     | -0.3                    | 2.1 hh                         | -16.1                    | 29.3 kcc           |
| CBI   | Jun * | 1.9                                 | 0.2        | 1.00                                       | 0.3                     | 5.6                            | -16.4                    | 27.3               |
| CEBR  | Jun * | 2.0                                 | -0.4       | 1.06                                       | 0.3                     | -                              | -14.5                    | 29.8               |
| Economy.com   | Jun * | 2.7                                 | 0.5        | 0.93                                       | -0.3                    | -                              | -39.3                    | 35.1               |
| Experian Business Strategies                          | May   | 2.6                                 | 0.1        | 1.01                                       | 0.1                     | 2.6                            | -15.2                    | 23.8               |
| EIU   | Jan   | 2.1                                 | -0.1       | 1.00                                       | 1.3                     | 5.1                            | -16.1                    | -                  |
| Global Insight  | May   | -                                   | 0.4        | -  | -0.3                    | -                              | -15.8                    | 28.4               |
| ITEM Club   | May   | 1.1                                 | -0.3       | 0.99                                       | 0.1                     | 4.0                            | -15.5                    | 31.0               |
| Liverpool Macro Research                              | Jun * | -                                   | -          | 1.09                                       | -                       | -                              | -34.9                    | 25.0 cc            |
| NIESR   | May   | 2.0                                 | 0.1        | 1.00                                       | 0.4                     | 4.1 w                          | -12.7                    | 28.1               |
| OEF   | Jun * | 2.1                                 | 0.2        | 0.96                                       | 0.0                     | 4.5                            | -16.7                    | 30.1               |
| EC  | May   | 2.5                                 | 0.5        | -  | 0.7                     | -                              | -14.3                    | 26.9 ee            |
| OECD  | May   | -                                   | 0.2        | 5.40 aa                                    | -                       | -                              | -1.4 g                   | -                  |
| IMF   | Apr   | -                                   | 0.2        | 5.40 aa                                    | -                       | -                              | -2.0 g                   | -                  |
| <b>Average of Forecasts made in the last 3 months</b> |       |                                     |            |  |                         |                                |                          |                    |
| Independent   |       | 2.0                                 | 0.1        | 0.98                                       | 0.0                     | 4.1                            | -17.9                    | 30.4               |
| New (marked *)  |       | 2.0                                 | 0.1        | 0.98                                       | 0.1                     | 4.6                            | -18.5                    | 30.9               |
| City  |       | 1.9                                 | 0.1        | 0.97                                       | 0.0                     | 4.0                            | -17.3                    | 30.8               |
| <b>Range of Forecasts made in the last 3 months</b>   |       |                                     |            |  |                         |                                |                          |                    |
| Highest   |       | 2.7                                 | 0.6        | 1.09                                       | 1.6                     | 8.7                            | -10.0                    | 35.1               |
| Lowest  |       | 1.0                                 | -0.5       | 0.86                                       | -1.5                    | 2.0                            | -39.3                    | 23.8               |
| Median  |       | 2.1                                 | 0.2        | 0.99                                       | 0.0                     | 3.9                            | -16.3                    | 30.4               |
| HM Treasury   | Apr   | 2 to 2½                             | -          | -  | ¼ to ¾                  | 4¾ w                           | -23¼                     | 27                 |

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

June 2003 Comparison

| Forecasters & dates of forecasts                      |       | GDP    | Private Consumption | Government Consumption | Fixed Investment | Change in Inventories (Ebn) | Domestic Demand | Total Exports | Total Imports | Net Trade Contribution |
|---|-------|--------|---------------------|------------------------|------------------|-----------------------------|-----------------|---------------|---------------|------------------------|
| <b>City Forecasters</b>                               |       |        |                     |                        |                  |                             |                 |               |               |                        |
| ABN AMRO  | Apr   | 2.4    | 1.6                 | 3.8                    | 4.4              | 0.0                         | 2.4             | 4.2           | 4.0           | -0.2                   |
| Bank of America                                       | Jun * | 1.5    | 0.7                 | 2.9                    | 1.9              | 3.5                         | 1.4 kk          | 4.6           | 2.8           | 0.4                    |
| Barclays Capital                                      | Jun * | 3.1    | 2.8                 | 4.1                    | 3.5              | 3.0                         | 3.1             | 4.4           | 4.2           | -0.3                   |
| Bridgewell  | Jun * | 2.1    | 1.7                 | 3.8                    | 0.6              | 0.0                         | 1.9             | 5.0           | 3.8           | 0.1                    |
| Capital Economics                                     | Jun * | 2.3    | -0.5                | 4.5                    | 3.5              | 1.7                         | 1.1             | 4.0           | 0.5           | 1.2                    |
| Citigroup   | Apr   | 2.6    | 3.7                 | 1.5                    | 2.1              | 1.8                         | 3.0             | 8.0           | 8.0           | -0.4                   |
| Credit Lyonnais                                       | Jun * | 2.3    | 2.3                 | 3.3                    | 4.5              | -0.2                        | 2.7             | 5.1           | 5.7           | -0.7                   |
| Credit Suisse First Boston                            | Jun * | 2.8    | 2.8                 | 4.0                    | 4.5              | 1.6                         | 3.0             | 5.3           | 5.3           | -0.4                   |
| Daiwa Institute of Research                           | May   | 2.5    | 2.5                 | 4.1                    | 3.8              | 1.4                         | 2.9             | 5.1           | 5.6           | -0.4                   |
| Deutsche Bank   | Jun * | 2.5    | 2.9                 | 3.7                    | 3.5              | -0.2                        | 3.2             | 5.3           | 5.9           | -0.7                   |
| Dresdner Kleinwort Wasserstein                        | Dec   | -      | -                   | -                      | -                | -                           | -               | -             | -             | -                      |
| Economic Perspectives                                 | Jun * | -0.6   | -0.6                | 3.4                    | -3.1             | -1.5                        | -0.4            | 0.4           | 0.8           | -0.2                   |
| Fortis Bank   | Apr   | 3.0    | 1.8                 | 2.9                    | 5.4              | 4.0                         | 2.6             | 8.1           | 6.0           | 0.4                    |
| Goldman Sachs   | Jun * | 3.0    | 2.3                 | 3.4                    | 3.8              | 0.1 h                       | 2.8             | 7.2           | 5.7           | 0.0                    |
| Hermes  | Jun * | 1.9    | 1.5                 | 2.9                    | 2.3              | 2.2                         | 1.9             | 2.9           | 2.5           | -0.1                   |
| HSBC Economics and Strategy                           | Jun * | 1.5    | 1.3                 | 2.4                    | 2.1              | -0.2                        | 1.4             | 1.6           | 1.3           | 0.0                    |
| ING Financial Markets                                 | Jun * | 2.5    | 2.7                 | 3.9                    | 4.8              | 0.4                         | 3.4             | 6.5           | 7.9           | -1.1                   |
| 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  | May   | 2.8    | 2.6                 | 4.5                    | 3.4              | -                           | 2.9             | 6.2           | 2.7           | 0.9                    |
| Lehman Brothers                                       | Jun * | 2.6    | 2.3                 | 4.0                    | -0.3             | 4.3                         | 2.2             | 6.2           | 4.4           | 0.2                    |
| Lombard Street  | Mar   | 3.0    | 2.0                 | 4.0                    | 3.2              | 3.0                         | 2.8             | 4.0           | 4.0           | -0.1                   |
| Morgan Stanley  | Jun * | 2.4    | 1.9                 | 2.7                    | 5.3              | -                           | 2.6             | 5.8           | 5.6           | -0.4                   |
| RBSFM   | Jun * | 3.0    | 2.4                 | 4.2                    | 4.9              | 1.0                         | 3.0             | 7.4           | 6.6           | 0.0                    |
| Schroders Investment Management                       | Jun * | 2.3    | 1.7                 | 4.0                    | 3.2              | 4.1                         | 2.2             | 4.2           | 3.7           | -0.1                   |
| Standard Chartered Bank                               | Jun * | 2.3    | 2.1                 | 3.4                    | 3.2              | 0.1                         | 2.3             | 2.8           | 2.7           | -0.2                   |
| UBS   | Jun * | 2.1    | 2.0                 | 4.0                    | 1.1              | -0.7                        | 2.1             | 3.1           | 2.9           | -0.2                   |
| WestLB AG   | Jun * | 2.3    | 2.3                 | 4.2                    | 3.8              | 2.8                         | 3.1             | 6.4           | 6.7           | -0.7                   |
| Williams de Broe                                      | Jun * | 3.1    | 1.6                 | 3.7                    | 10.1             | 2.1                         | 3.3             | 11.6          | 10.3          | -0.4                   |
| <b>Non-City Forecasters</b>                           |       |        |                     |                        |                  |                             |                 |               |               |                        |
| Cambridge Econometrics                                | Jun * | 2.7    | 2.8                 | 2.7                    | 3.3              | 0.6                         | 2.8             | 5.5           | 5.2           | -0.3                   |
| CBI   | Jun * | 2.5    | 1.8                 | 3.7                    | 2.4              | 1.8                         | 2.3             | 4.4           | 3.5           | 0.0                    |
| CEBR  | Jun * | 1.6    | 1.1                 | 3.0                    | 0.7              | 3.2                         | 0.7             | 5.2           | 2.7           | -                      |
| Economy.com   | Jun * | 2.8    | 2.9                 | 2.5                    | 2.0              | 2.6                         | 2.5             | 4.8           | 4.2           | -0.8                   |
| Experian Business Strategies                          | May   | 2.6    | 1.6                 | 3.6                    | 2.8              | 2.0                         | 2.3             | 2.9           | 2.0           | 0.2                    |
| EIU   | Jan   | 2.3    | 1.3                 | 2.8                    | 2.4              | -                           | 2.4             | 4.9           | 4.8           | -0.3                   |
| Global Insight  | May   | 2.8    | 2.5                 | 2.7                    | 3.8              | -                           | 2.9             | 6.3           | 5.8           | -                      |
| ITEM Club   | May   | 2.6    | 2.2                 | 4.2                    | 3.0              | 0.0                         | 2.7             | 6.5           | 3.6           | -0.4                   |
| Liverpool Macro Research                              | Jun * | 1.9    | 3.0 c               | 3.8 d                  | 0.0 e            | -                           | -               | -             | -             | -                      |
| NIESR   | May   | 2.8    | 1.7                 | 3.3                    | 3.7              | 0.7                         | 2.4             | 5.9           | 4.3           | 0.2                    |
| OEF   | Jun * | 3.0    | 2.5                 | 4.1                    | 3.5              | 2.7                         | 2.9             | 7.0           | 6.1           | -0.2                   |
| EC  | May   | 2.6    | 2.2                 | 1.0                    | 4.2              | 1.4                         | 2.5             | 5.6           | 4.9           | -0.1                   |
| OECD  | May   | 2.6    | 2.3                 | 2.8                    | 6.7              | 0.4 h                       | 3.4             | 8.4           | 9.6           | -1.1                   |
| IMF   | Apr   | 2.5    | 2.1                 | 3.0                    | 3.2              | 0.0                         | 2.4             | 3.9           | 3.6           | -                      |
| <b>Average of Forecasts made in the last 3 months</b> |       |        |                     |                        |                  |                             |                 |               |               |                        |
| Independent   |       | 2.4    | 2.0                 | 3.4                    | 3.3              | 1.5                         | 2.5             | 5.4           | 4.6           | -0.2                   |
| New (marked *)  |       | 2.3    | 1.9                 | 3.6                    | 3.0              | 1.6                         | 2.3             | 5.2           | 4.4           | -0.2                   |
| City  |       | 2.3    | 1.9                 | 3.6                    | 3.3              | 1.5                         | 2.4             | 5.4           | 4.6           | -0.1                   |
| <b>Range of Forecasts made in the last 3 months</b>   |       |        |                     |                        |                  |                             |                 |               |               |                        |
| Highest   |       | 3.1    | 3.7                 | 4.5                    | 10.1             | 4.3                         | 3.4             | 11.6          | 10.3          | 1.2                    |
| Lowest  |       | -0.6   | -0.6                | 1.0                    | -3.1             | -1.5                        | -0.4            | 0.4           | 0.5           | -1.1                   |
| Median  |       | 2.5    | 2.2                 | 3.7                    | 3.5              | 1.6                         | 2.6             | 5.3           | 4.3           | -0.2                   |
| HM Treasury   | Apr   | 3 - 3½ | 2½ to 2¾            | 4                      | 4¾ to 5¼         | -0.5 to 0.9                 | 3 to 3½         | 8¼ to 8¾      | 7¼ to 7¾      | -¼                     |

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

June 2003 Comparison

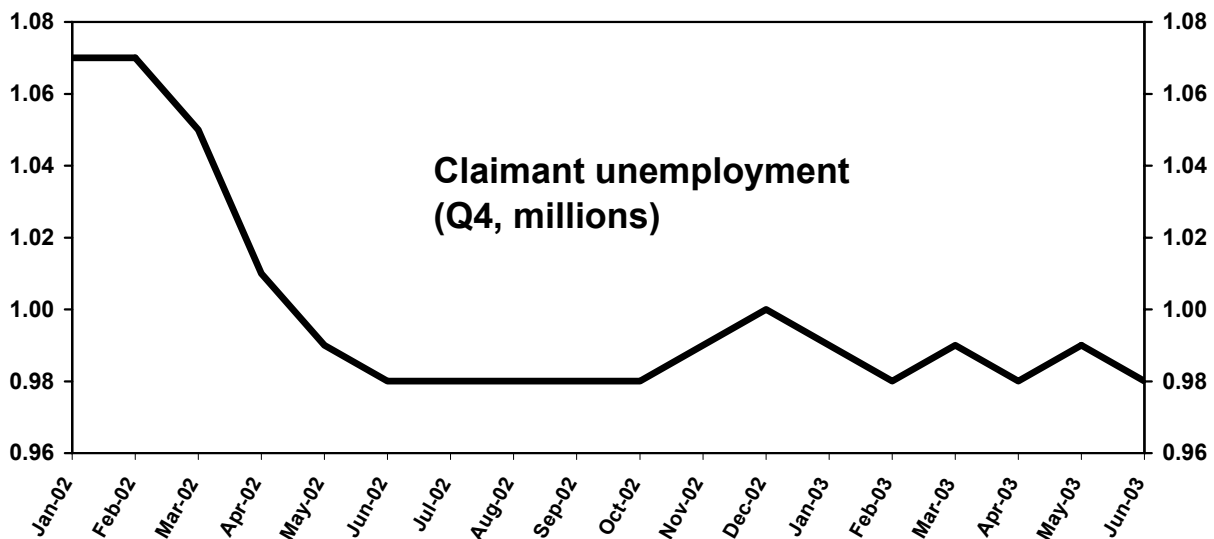
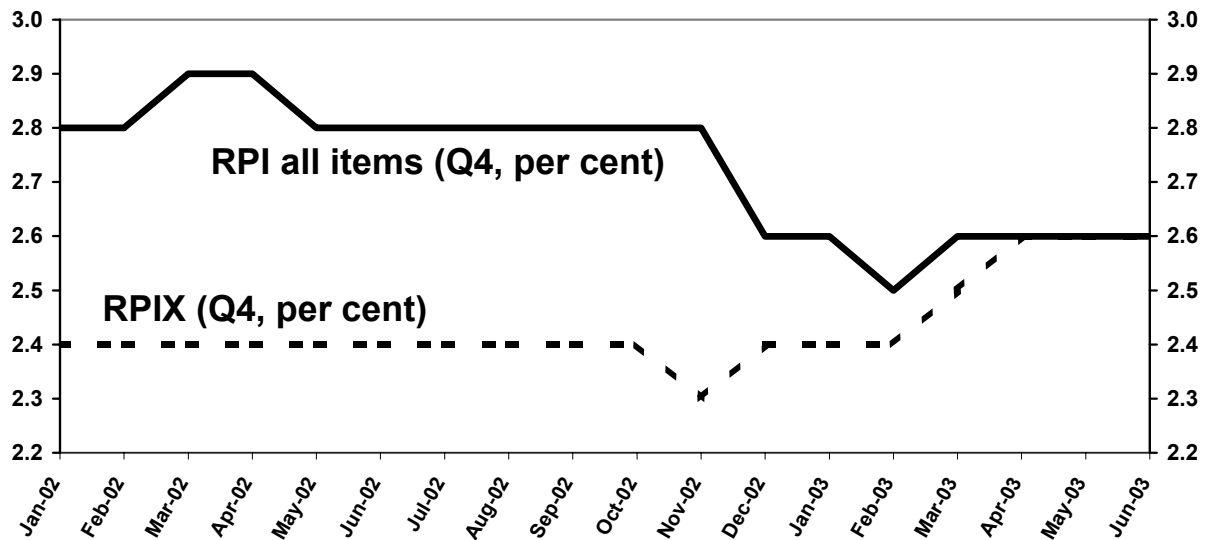
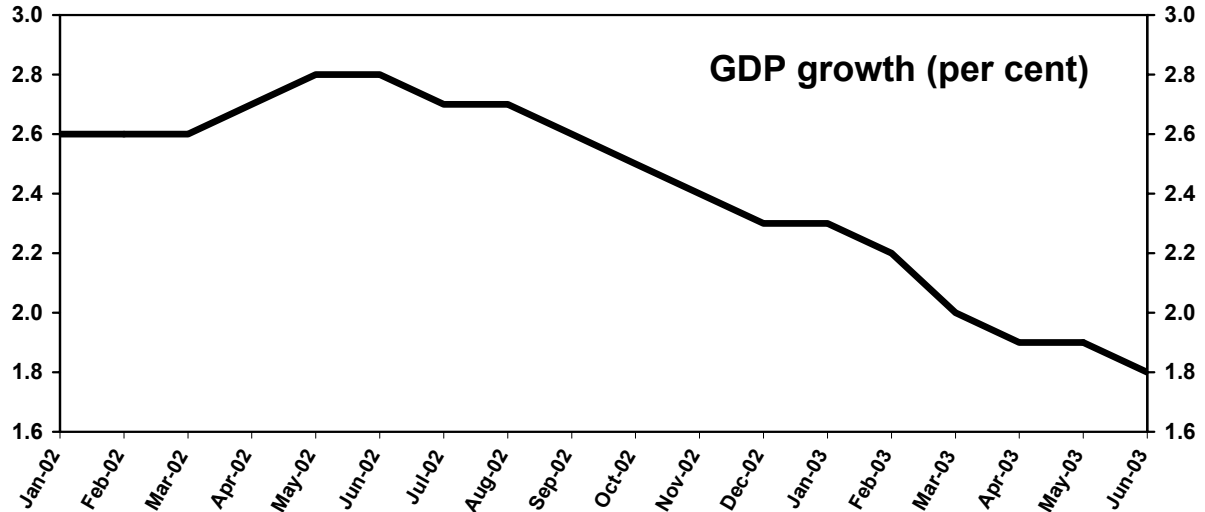
| Forecasters & dates of forecasts                      |       | RPI (Q4) | RPIX (Q4) | Average Earnings | Sterling Index (Q4) | Bank of England Repo Rate (Q4,%) | Oil price (\$) | M4  |
|---|-------|----------|-----------|------------------|---------------------|----------------------------------|----------------|-----|
| <b>City Forecasters</b>                               |       |          |           |                  |                     |                                  |                |     |
| ABN AMRO  | Apr   | 2.6      | 2.6       | 4.3              | 99.5                | 2.75                             | 19.0           | -   |
| Bank of America                                       | Jun * | 1.9      | 1.8       | 3.1              | -                   | 3.00                             | 26.0           | 6.9 |
| Barclays Capital                                      | Jun * | 2.4      | 2.5       | 4.4              | 98.6                | 4.67                             | -              | -   |
| Bridgewell  | Jun * | 3.1      | 3.0       | 4.5              | 93.7                | 4.75                             | -              | 6.5 |
| Capital Economics                                     | Jun * | 2.4      | 1.9       | 4.0              | 97.3                | 3.50                             | 20.0           | 8.0 |
| Citigroup   | Apr   | 4.0      | 2.8       | 4.6              | 97.0                | 5.40                             | 25.0           | -   |
| Credit Lyonnais                                       | Jun * | 2.9      | 2.4       | 4.3              | 97.0                | 4.00                             | 22.0           | -   |
| Credit Suisse First Boston                            | Jun * | -        | 2.5       | -                | -                   | 5.00                             | -              | -   |
| Daiwa Institute of Research                           | May   | 3.0      | 2.2       | 4.1              | 100.6               | 4.25                             | 25.1           | -   |
| Deutsche Bank   | Jun * | 2.6      | 2.3       | 4.5              | 94.0                | 3.75                             | -              | 6.2 |
| Dresdner Kleinwort Wasserstein                        | Dec   | -        | -         | -                | -                   | -                                | -              | -   |
| Economic Perspectives                                 | Jun * | 1.7      | 1.5       | 3.3              | 95.0                | 3.50                             | 23.0           | 5.0 |
| Fortis Bank   | Apr   | 3.3      | 2.6       | 4.5              | 100.5               | 5.25                             | 24.0           | -   |
| Goldman Sachs   | Jun * | 3.2      | 2.5       | 4.5              | 95.0                | 4.90 js                          | 25.0           | 6.4 |
| Hermes  | Jun * | 1.7      | 1.7       | 3.5              | 102.0               | 3.00                             | -              | -   |
| HSBC Economics and Strategy                           | Jun * | 1.7      | 2.3       | 3.5              | 89.9                | 3.00                             | -              | -   |
| ING Financial Markets                                 | Jun * | 2.8      | 2.0       | -                | -                   | 4.50                             | -              | 7.3 |
| ISIS Asset Management plc                             | Jun * | 3.0      | 2.6       | 4.5              | -                   | 4.00                             | -              | -   |
| J P Morgan  | May   | 2.9      | 2.1       | -                | -                   | 4.25                             | 24.6           | -   |
| Lehman Brothers                                       | Jun * | 3.4      | 2.4       | 3.9              | 92.5                | 4.50                             | -              | -   |
| Lombard Street  | Mar   | 3.3      | 3.2       | 5.0              | 98.0                | 5.00                             | 22.0           | 8.0 |
| Morgan Stanley  | Jun * | 2.8      | 2.2       | 4.2              | -                   | 4.50 j                           | -              | -   |
| RBSFM   | Jun * | 3.2      | 2.7       | 5.1              | 93.2                | 4.67                             | 25.0           | -   |
| Schroders Investment Management                       | Jun * | 3.3      | 2.3       | 3.9              | -                   | 4.00                             | -              | -   |
| Standard Chartered Bank                               | Jun * | 2.5      | 2.4       | 3.6              | 100.0               | 3.75                             | 22.0           | 5.5 |
| UBS   | Jun * | 2.1      | 1.9       | 4.0              | 104.0               | 3.75                             | 23.0           | 5.0 |
| WestLB AG   | Jun * | 2.4      | 2.3       | 3.5              | 97.0                | 5.00                             | 23.0           | 6.0 |
| Williams de Broe                                      | Jun * | 2.6      | 2.4       | 4.5              | 95.3                | 4.40                             | 27.0           | 6.7 |
| <b>Non-City Forecasters</b>                           |       |          |           |                  |                     |                                  |                |     |
| Cambridge Econometrics                                | Jun * | 2.8 k    | 2.3 k     | 4.5 n            | 98.3 k              | 4.20 ks                          | 27.2           | -   |
| CBI   | Jun * | 2.8      | 2.5       | 4.5              | 100.0               | 4.00                             | 24.2           | -   |
| CEBR  | Jun * | 2.0      | 2.1       | 3.9              | 98.9                | 2.84                             | 22.7           | 4.4 |
| Economy.com   | Jun * | 2.9      | 2.7       | 3.7              | 110.0               | 5.00                             | 24.0           | 6.5 |
| Experian Business Strategies                          | May   | 2.8      | 2.3       | 5.5              | 101.3               | 4.50                             | 25.9           | -   |
| EIU   | Jan   | 2.5      | 2.4       | 3.6              | 103.5               | 4.75                             | 19.1           | -   |
| Global Insight  | May   | -        | 2.4       | 4.5              | -                   | 4.75                             | -              | 4.6 |
| ITEM Club   | May   | 3.5      | 2.5       | 4.8              | 97.0                | 5.00                             | 23.0           | 4.0 |
| Liverpool Macro Research                              | Jun * | -        | 1.9       | 3.4              | 109.3               | 4.10                             | -              | -   |
| NIESR   | May   | 3.0      | 2.5       | -                | 97.7                | 4.35 s                           | 21.8 ii        | -   |
| OEF   | Jun * | 3.4      | 2.2       | 4.5              | 102.9               | 4.80                             | 24.6           | 5.9 |
| EC  | May   | 2.4 a    | 1.2 ak    | 4.6 n            | -                   | -                                | 23.5           | -   |
| OECD  | May   | 2.3 kil  | 2.8 k     | 4.5 n            | -                   | 4.30 ks                          | -              | -   |
| IMF   | Apr   | -        | 2.6       | -                | -                   | -                                | -              | -   |
| <b>Average of Forecasts made in the last 3 months</b> |       |          |           |                  |                     |                                  |                |     |
| Independent   |       | 2.7      | 2.3       | 4.2              | 98.5                | 4.18                             | 23.9           | 5.9 |
| New (marked *)  |       | 2.6      | 2.3       | 4.0              | 98.3                | 4.06                             | 23.9           | 6.2 |
| City  |       | 2.7      | 2.3       | 4.1              | 97.0                | 4.11                             | 23.6           | 6.3 |
| <b>Range of Forecasts made in the last 3 months</b>   |       |          |           |                  |                     |                                  |                |     |
| Highest   |       | 4.0      | 3.0       | 5.5              | 110.0               | 5.40                             | 27.2           | 8.0 |
| Lowest  |       | 1.7      | 1.5       | 3.1              | 89.9                | 2.75                             | 19.0           | 4.0 |
| Median  |       | 2.8      | 2.4       | 4.3              | 97.7                | 4.25                             | 24.0           | 6.1 |
| HM Treasury   | Apr   | -        | 2½        | -                | -                   | -                                | -              | -   |

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

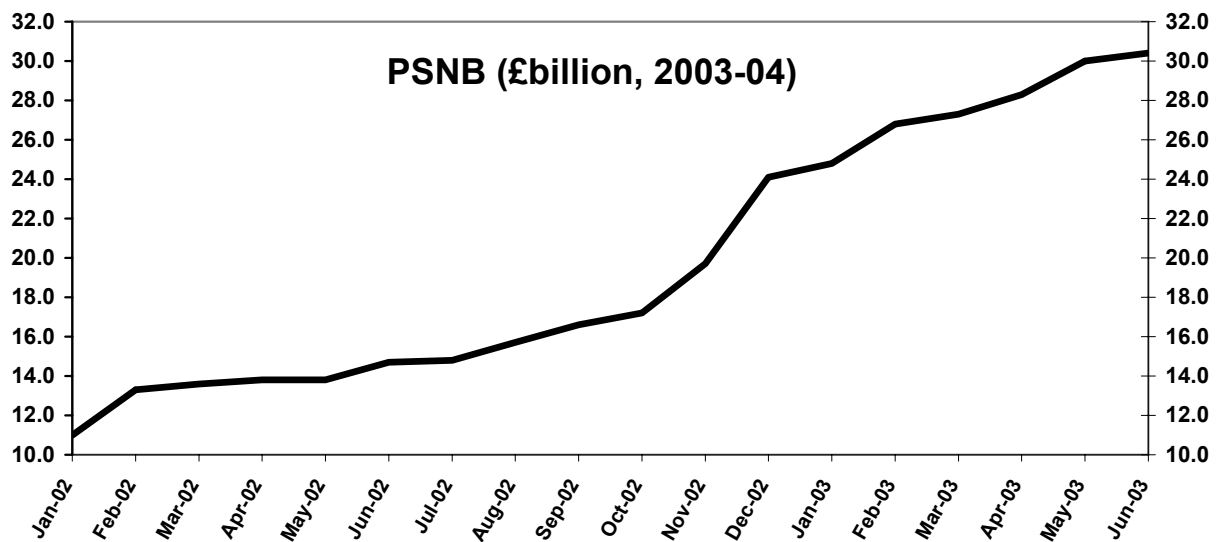
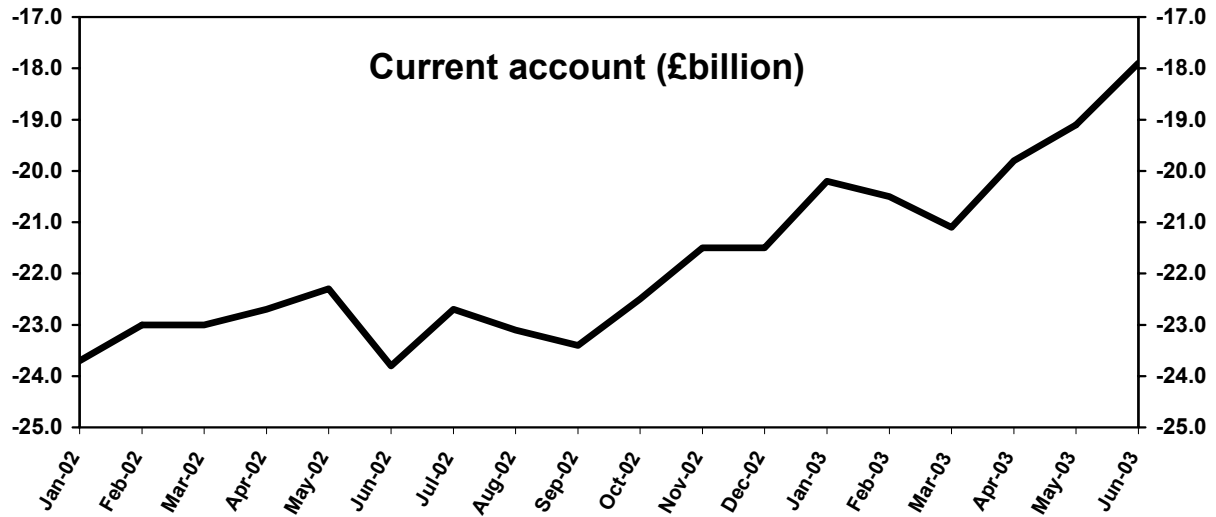
June 2003 Comparison

| Forecasters & dates of forecasts                      |       | Real Household<br>Disposable Income | Employment | Claimant<br>Unemployment<br>(Q4, millions) | Manufacturing<br>Output | World Trade in<br>Manufactures | Current account<br>(£bn) | PSNB (£bn 2004-05) |
|---|-------|-------------------------------------|------------|--|-------------------------|--------------------------------|--------------------------|--------------------|
| <b>City Forecasters</b>                               |       |                                     |            |  |                         |                                |                          |                    |
| ABN AMRO  | Apr   | 2.7                                 | -0.1       | 1.00                                       | 2.2                     | 6.9                            | -17.7                    | 43.5               |
| Bank of America                                       | Jun * | -                                   | -          | -  | 2.4                     | -                              | -2.0                     | -                  |
| Barclays Capital                                      | Jun * | 2.7                                 | -0.1       | 0.97                                       | 2.1                     | -                              | -21.6                    | 29.5 cc            |
| Bridgewell  | Jun * | 2.3                                 | 0.5        | 1.03                                       | 2.0                     | -                              | -31.6                    | 41.0               |
| Capital Economics                                     | Jun * | 2.2                                 | 0.2        | 1.00                                       | 3.0                     | -                              | -10.0                    | 32.0               |
| Citigroup   | Apr   | 2.3                                 | 0.4        | 0.79                                       | 0.0                     | -                              | -23.7                    | 38.0               |
| Credit Lyonnais                                       | Jun * | -                                   | -          | 0.95                                       | 2.1                     | 6.0                            | -17.5                    | 30.5               |
| Credit Suisse First Boston                            | Jun * | -                                   | -          | -  | -                       | -                              | -                        | 33.0               |
| Daiwa Institute of Research                           | May   | 2.6                                 | 0.4        | 1.00                                       | -                       | -                              | -20.7                    | 29.9               |
| Deutsche Bank   | Jun * | 2.6                                 | -          | 1.02                                       | 2.0                     | -                              | -21.9                    | 28.0               |
| Dresdner Kleinwort Wasserstein                        | Dec   | -                                   | -          | -  | -                       | -                              | -                        | -                  |
| Economic Perspectives                                 | Jun * | 0.4                                 | -1.1       | 1.30                                       | -0.7                    | 2.5                            | -13.0                    | 38.0               |
| Fortis Bank   | Apr   | 3.1                                 | 1.0        | 2.80 x                                     | 2.2                     | -                              | -18.0                    | 26.0               |
| Goldman Sachs   | Jun * | -                                   | 0.5        | 1.03                                       | 4.0                     | -                              | -13.6                    | 31.9               |
| Hermes  | Jun * | -                                   | 0.0        | 1.07                                       | -                       | -                              | -10.0                    | -                  |
| HSBC Economics and Strategy                           | Jun * | -                                   | -0.5       | 1.03                                       | 2.0                     | -                              | -16.0                    | 34.0               |
| ING Financial Markets                                 | Jun * | -                                   | -          | -  | -                       | -                              | -                        | -                  |
| ISIS Asset Management plc                             | Jun * | -                                   | -          | 1.30                                       | 2.4                     | -                              | -16.0                    | -                  |
| J P Morgan  | May   | -                                   | -          | -  | 2.5                     | -                              | -13.8                    | 27.0               |
| Lehman Brothers                                       | Jun * | 4.1                                 | -0.1       | 0.99                                       | 0.2                     | -                              | -13.1                    | 39.0               |
| Lombard Street  | Mar   | 2.3                                 | 0.3        | 0.91                                       | -                       | -                              | -18.0                    | 29.0               |
| Morgan Stanley  | Jun * | 2.5                                 | 0.8        | -  | 2.3                     | -                              | -                        | 28.0               |
| RBSFM   | Jun * | 2.7                                 | 0.6        | 0.92                                       | 2.5                     | 5.7                            | -14.8                    | 32.2               |
| Schroders Investment Management                       | Jun * | -                                   | -          | 3.75 x                                     | 3.4                     | -                              | -23.1                    | 34.1               |
| Standard Chartered Bank                               | Jun * | 2.0                                 | -0.8       | 1.10                                       | 2.0                     | -                              | -16.0                    | 32.0               |
| UBS   | Jun * | 2.1                                 | 0.2        | 0.94                                       | 2.5                     | -                              | -8.0                     | 36.0               |
| WestLB AG   | Jun * | 2.6                                 | 0.6        | 0.93                                       | 2.0                     | 6.5                            | -23.0                    | 30.0               |
| Williams de Broe                                      | Jun * | -                                   | 1.0        | 0.74                                       | 4.4                     | 13.4                           | -28.7                    | 30.0               |
| <b>Non-City Forecasters</b>                           |       |                                     |            |  |                         |                                |                          |                    |
| Cambridge Econometrics                                | Jun * | 3.2                                 | 0.1 Jun    | 1.00 k                                     | 1.5                     | 2.9 hh                         | -18.6                    | 28.7 kcc           |
| CBI   | Jun * | 2.2                                 | 0.6        | 0.96                                       | 1.9                     | 6.0                            | -19.2                    | 32.2               |
| CEBR  | Jun * | 0.7                                 | -0.4       | 1.30                                       | 1.2                     | -                              | -10.5                    | 32.1               |
| Economy.com   | Jun * | 3.9                                 | 1.3        | 0.90                                       | 1.9                     | -                              | -39.4                    | 32.7               |
| Experian Business Strategies                          | May   | 2.8                                 | 0.3        | 1.05                                       | 1.8                     | 4.3                            | -13.4                    | 31.2               |
| EIU   | Jan   | 2.2                                 | 0.1        | 1.15                                       | 2.2                     | 6.4                            | -11.7                    | -                  |
| Global Insight  | May   | -                                   | 0.5        | -  | 2.8                     | -                              | -13.7                    | 32.9               |
| ITEM Club   | May   | 2.0                                 | 0.4        | 0.97                                       | 2.9                     | 7.0                            | -23.0                    | 29.0               |
| Liverpool Macro Research                              | Jun * | -                                   | -          | 1.12                                       | -                       | -                              | -40.9                    | 25.7 cc            |
| NIESR   | May   | 2.2                                 | 0.2        | 1.00                                       | 2.3                     | 6.5 w                          | -15.4                    | 32.9               |
| OEF   | Jun * | 2.7                                 | 0.5        | 0.96                                       | 2.8                     | 6.3                            | -18.5                    | 26.8               |
| EC  | May   | 2.9                                 | 0.5        | -  | 2.0                     | -                              | -13.7                    | 28.4 ee            |
| OECD  | May   | -                                   | 0.5        | 5.20 aa                                    | -                       | -                              | -2.0 g                   | -                  |
| IMF   | Apr   | -                                   | 0.5        | 5.30 aa                                    | -                       | -                              | -2.3 g                   | -                  |
| <b>Average of Forecasts made in the last 3 months</b> |       |                                     |            |  |                         |                                |                          |                    |
| Independent   |       | 2.5                                 | 0.3        | 1.01                                       | 2.1                     | 6.5                            | -18.2                    | 32.6               |
| New (marked *)  |       | 2.4                                 | 0.2        | 1.03                                       | 2.2                     | 6.6                            | -18.6                    | 32.7               |
| City  |       | 2.5                                 | 0.2        | 1.01                                       | 2.2                     | 6.8                            | -17.1                    | 33.1               |
| <b>Range of Forecasts made in the last 3 months</b>   |       |                                     |            |  |                         |                                |                          |                    |
| Highest   |       | 4.1                                 | 1.3        | 1.30                                       | 4.4                     | 13.4                           | -2.0                     | 43.5               |
| Lowest  |       | 0.4                                 | -1.1       | 0.74                                       | -0.7                    | 2.5                            | -40.9                    | 26.0               |
| Median  |       | 2.6                                 | 0.4        | 1.00                                       | 2.2                     | 6.2                            | -16.8                    | 32.1               |
| HM Treasury   | Apr   | 2½ to 3                             | -          | -  | 2¼ to 2¾                | 8½ w                           | -23¼                     | 24                 |

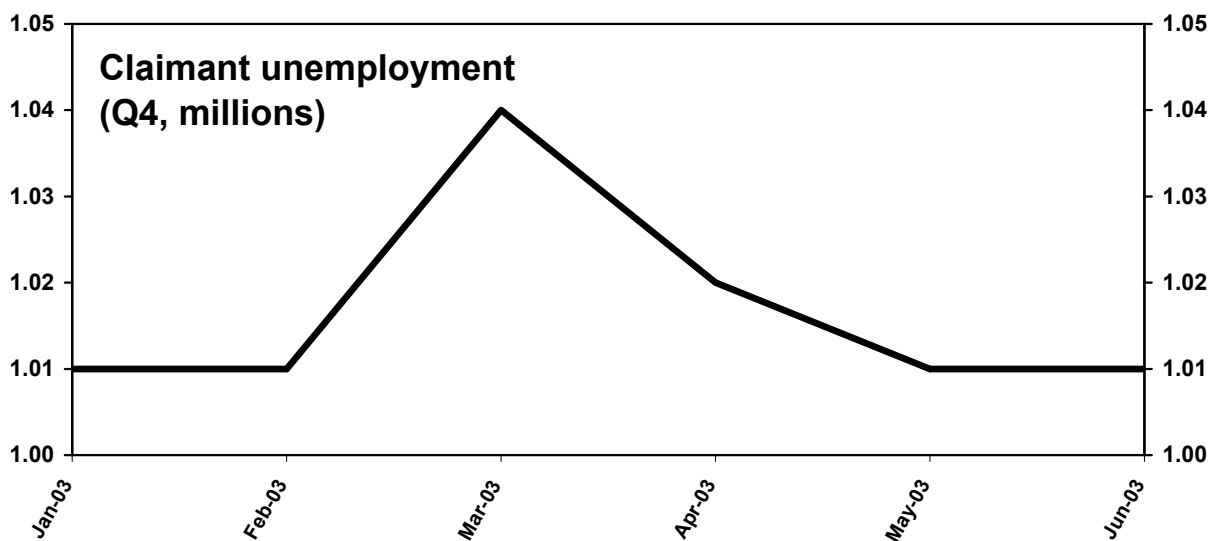
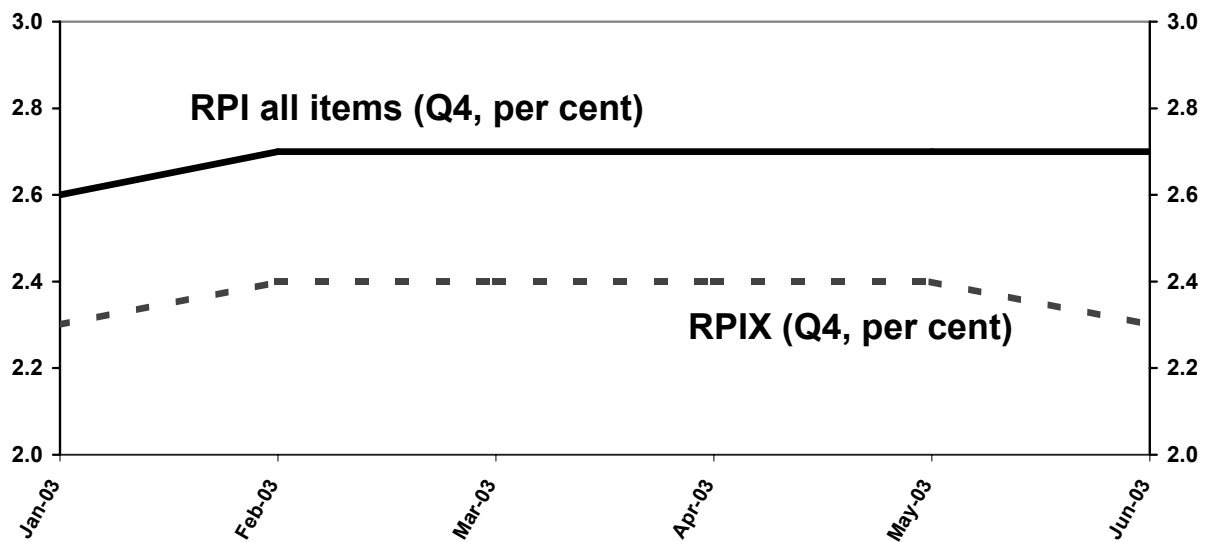
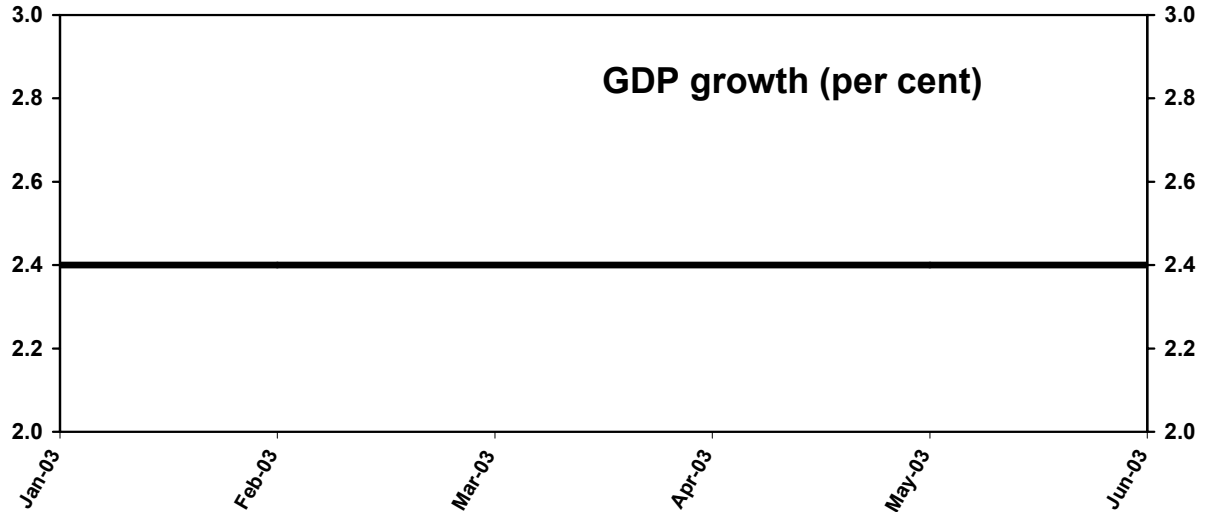
## Average of independent forecasts for 2003; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



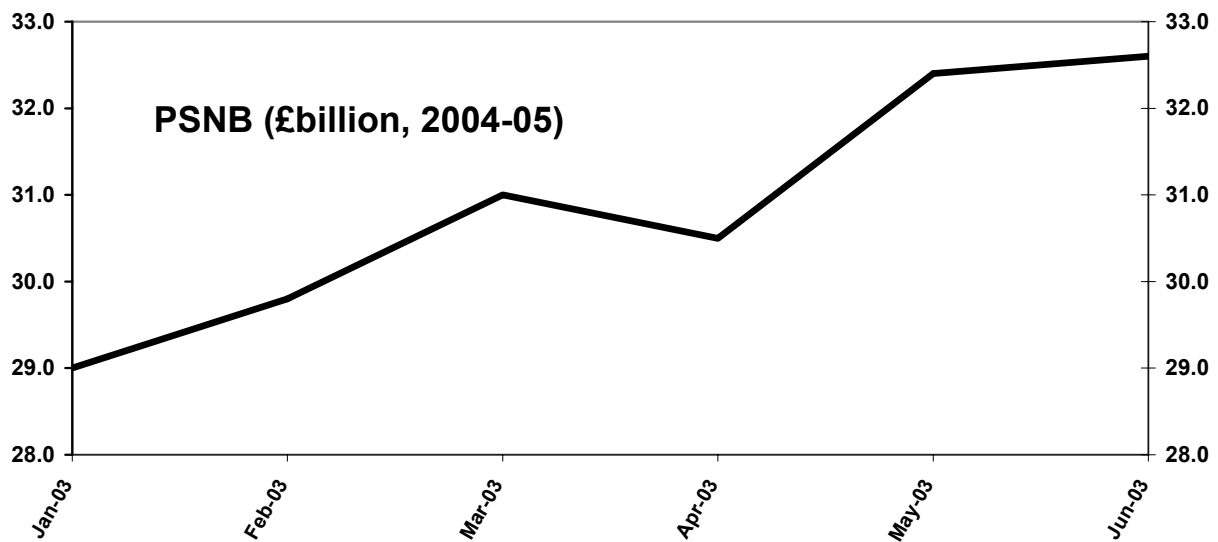
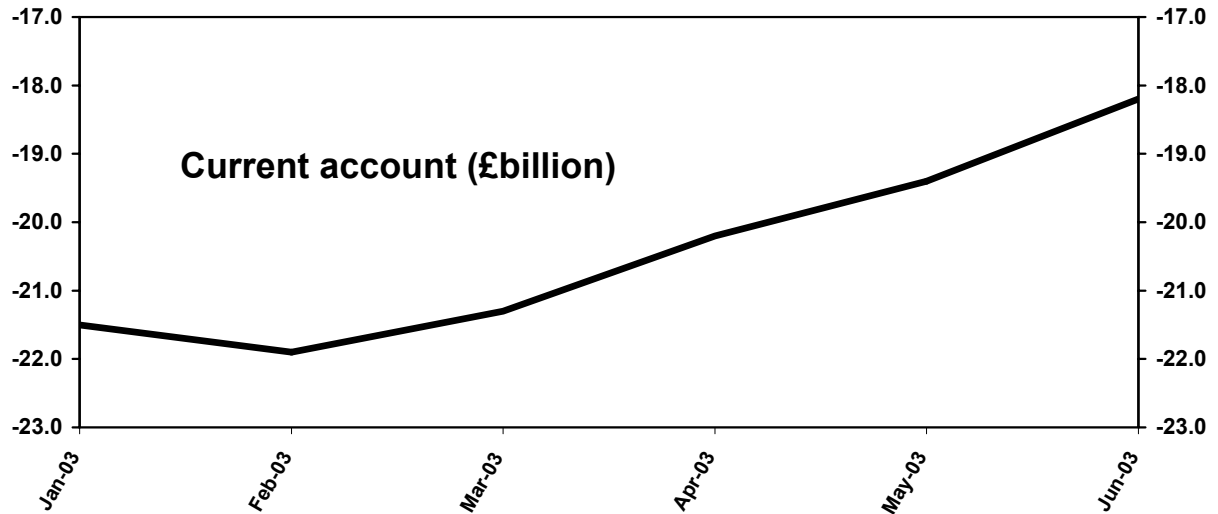
## Average of independent forecasts for 2003; Current account and PSNB (2003-04, £billion)



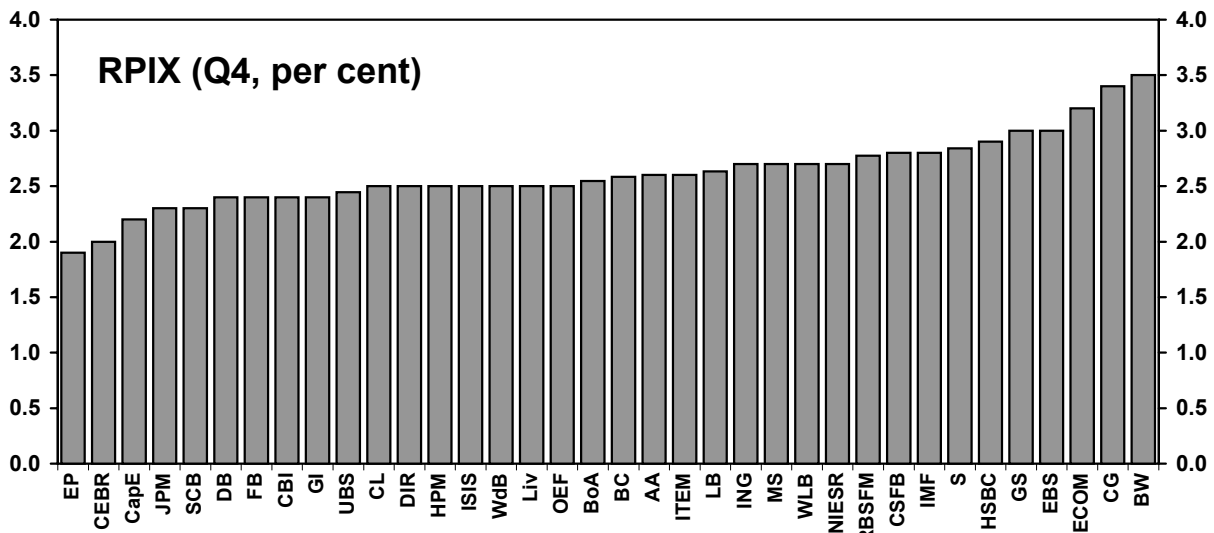
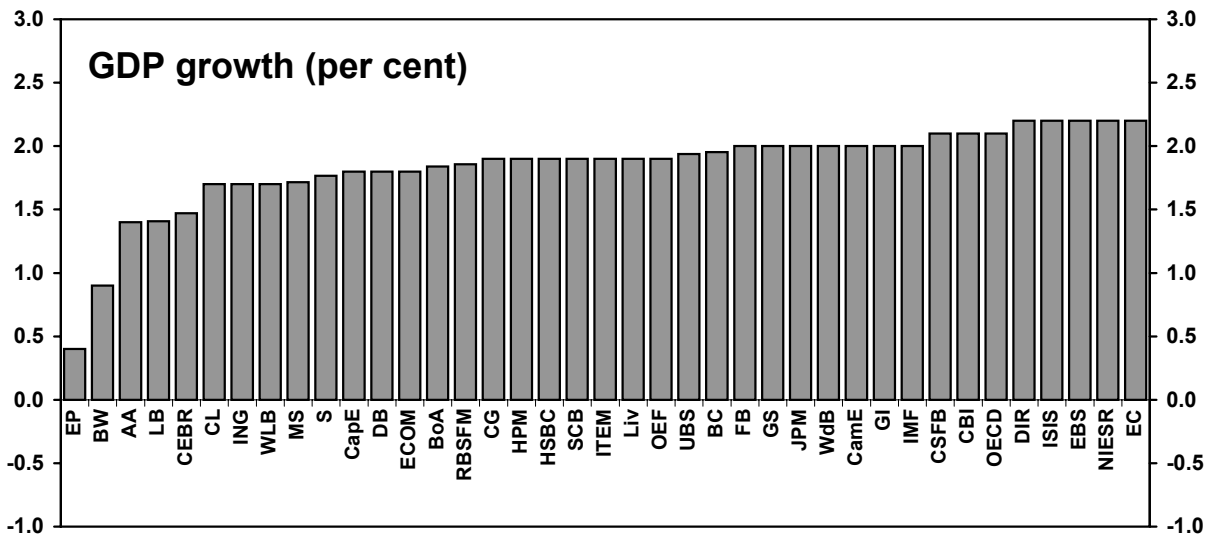
## Average of independent forecasts for 2004; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



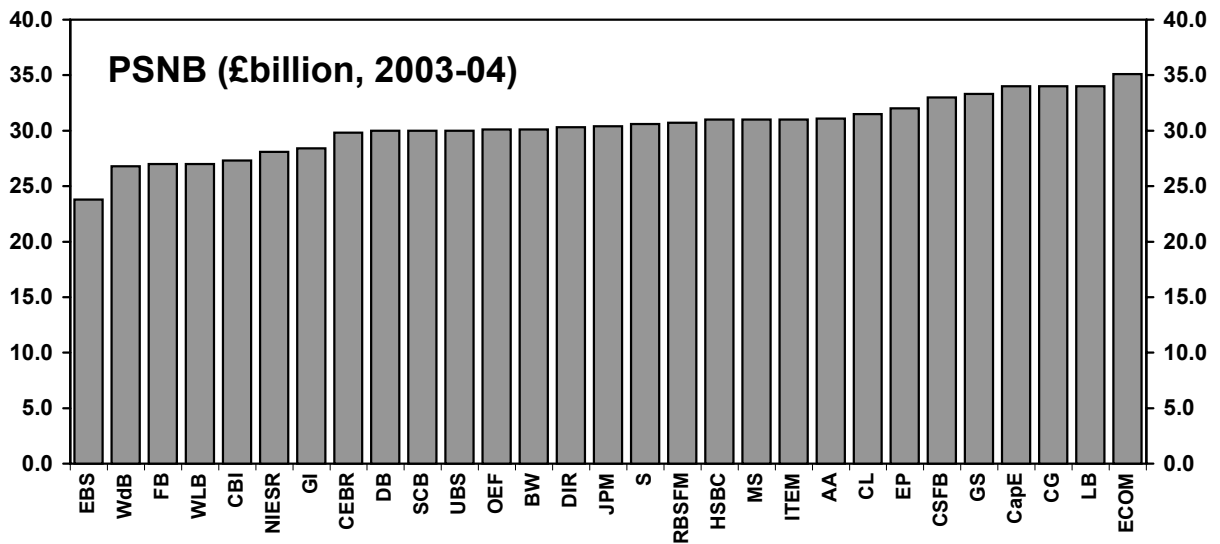
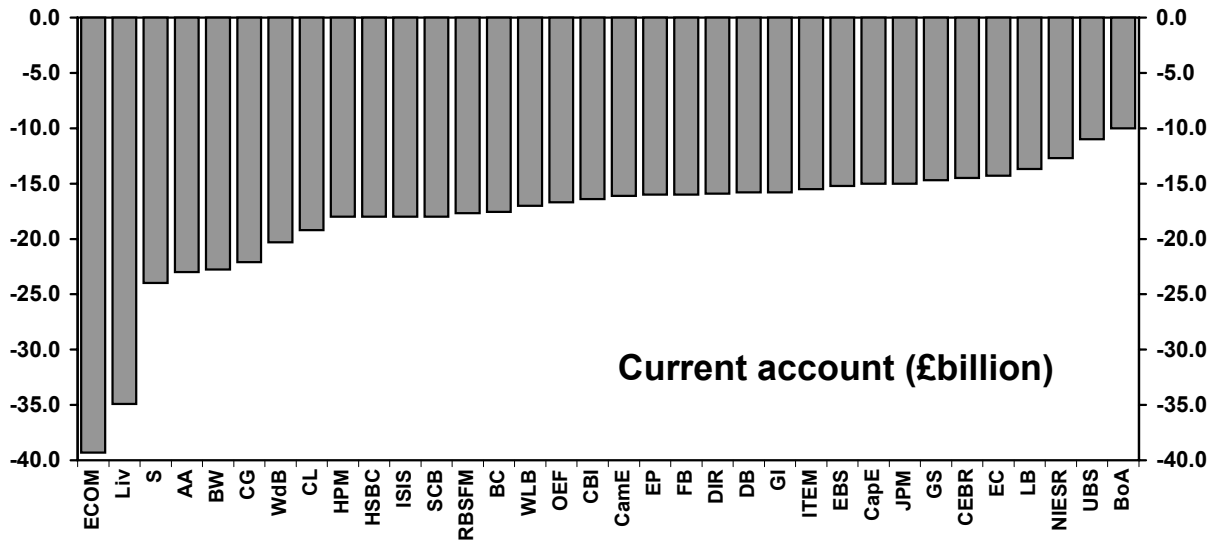
## Average of independent forecasts for 2004; Current account and PSNB (2004-05, £billion)



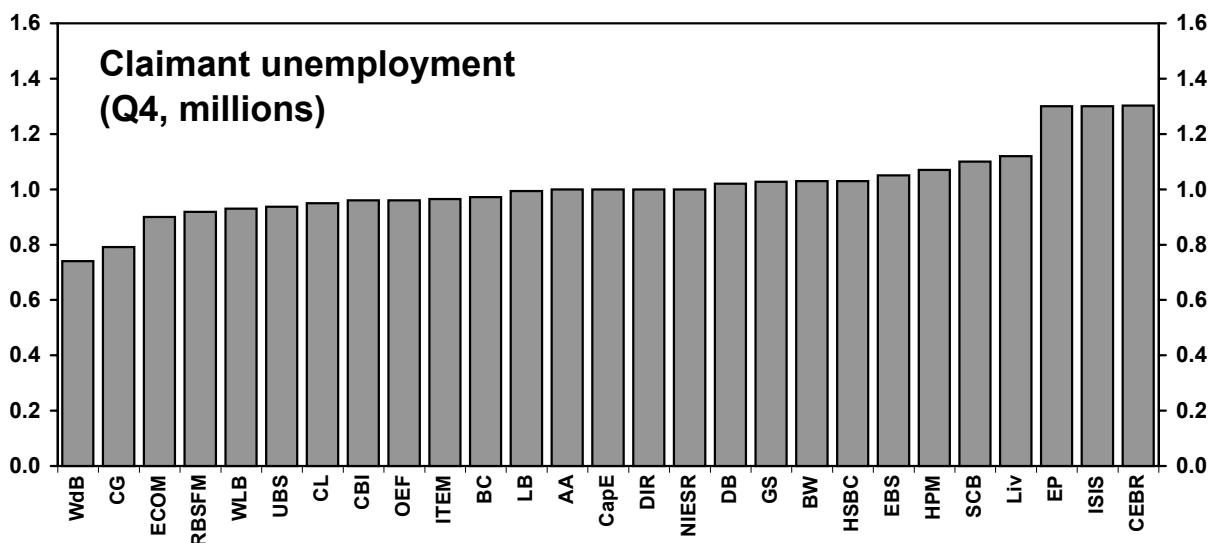
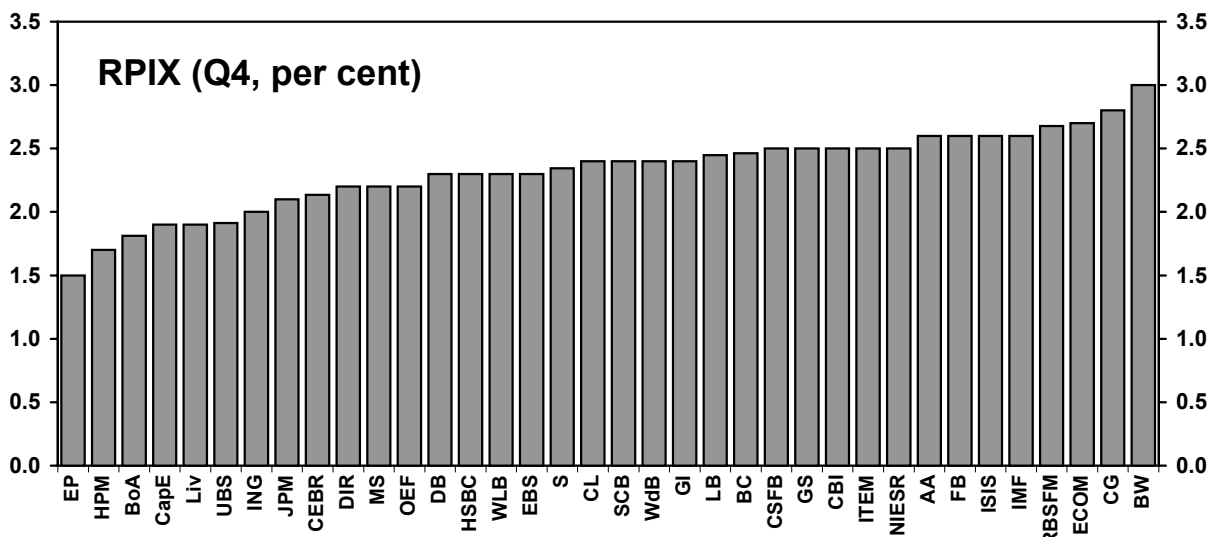
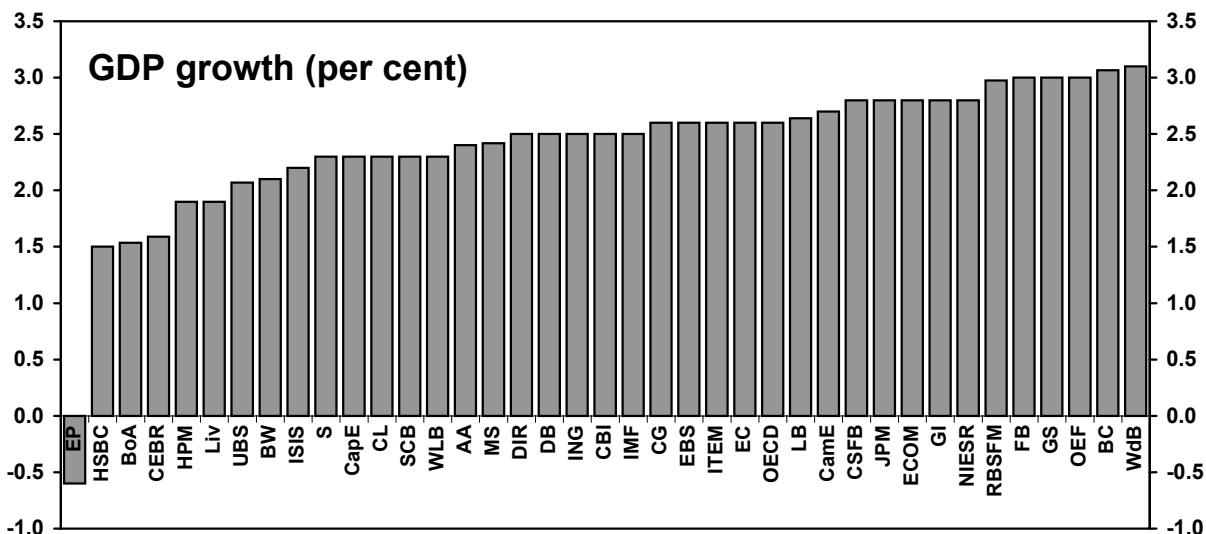
## Range of Forecasts for 2003; GDP, RPIX and Claimant Unemployment (millions) made in last 3 months



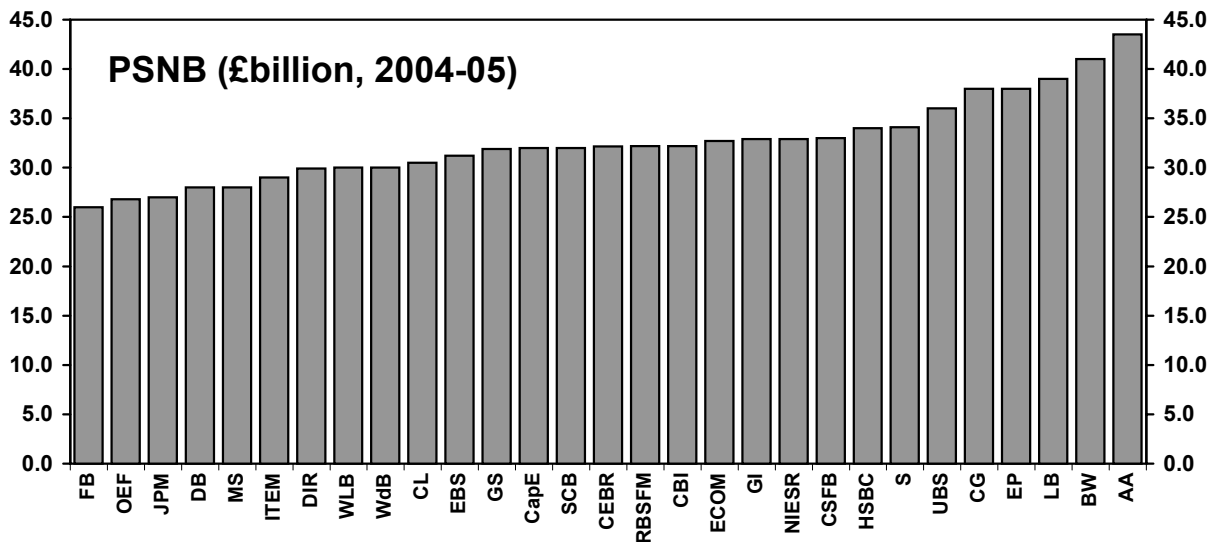
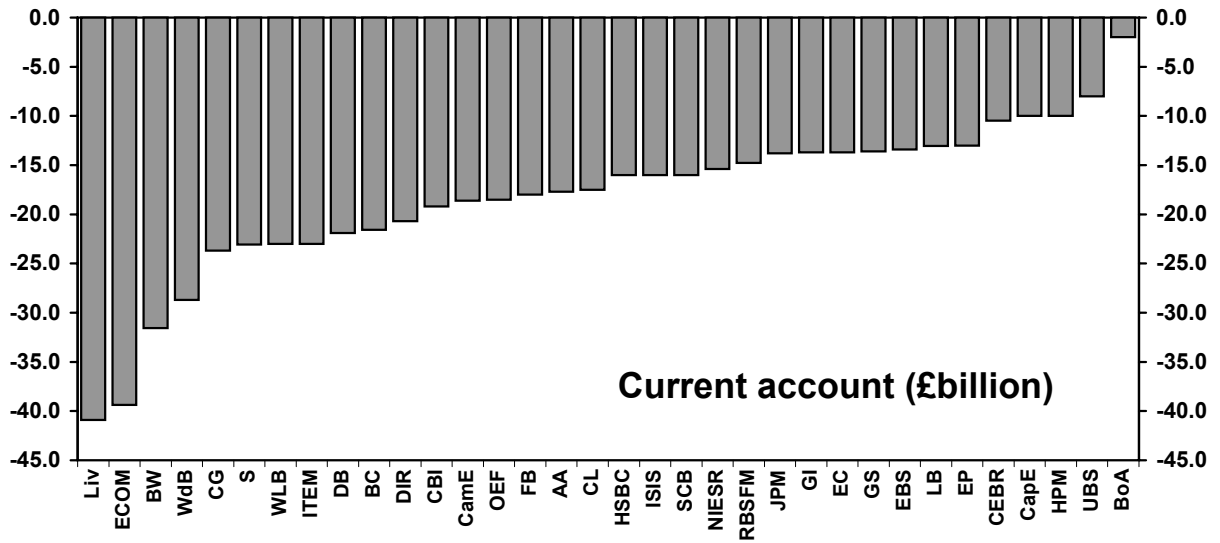
## Range of Forecasts for 2003; Current Account (£bn) and PSNB (2003-04, £bn) made in last 3 months



## 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  |
| 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 AJHX  |
| 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<br>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 /<br>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<br>adjusted for privatisation proceeds |
| q:  | forecast growth rates for Q4  |
| r:  | various definitions; refer to forecasters for details   |
| s:  | 3 month interbank rate  |
| t:  | billions of dollars   |
| u:  | general government current and capital expenditure plus stockbuilding                               |
| v:  | average of spot price of Brent crude and Dubai light crude  |
| w:  | UK export market weights  |
| x:  | claimant unemployment rate  |
| y:  | derived from the consumer price index   |
| 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  |

## 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                  |
| Bank of America                               | Deborah Read          | 020 7634 4515                  |
| Barclays Capital                              | Nick Verdi            | 020 7773 2173                  |
| Bridgewell                                    | Richard Jeffrey       | 020 7003 3500                  |
| Cambridge Econometrics                        | Rachel Beaven         | 01223 460 760                  |
| Capital Economics Ltd                         | Jonathan Loynes       | 020 7823 5000                  |
| Citigroup                                     | Michael Saunders      | 020 7986 9297                  |
| CBI   | Trevor Cullinan       | 020 7395 8102                  |
| CEBR  | Douglas McWilliams    | 020 7324 2860                  |
| Credit Lyonnais                               | Glenn Davies          | 020 7214 5388                  |
| Credit Suisse First Boston                    | Robert Barrie         | 020 7888 1334                  |
| Daiwa Institute of Research                   | Don Egginton          | 020 7597 8470                  |
| Deutsche Bank                                 | George Buckley        | 020 7545 1372                  |
| Dresdner Kleinwort Wasserstein                | Leo Doyle             | 020 7475 2423                  |
| Experian Business Strategies (previously BSL) | Johannah Dods         | 020 7901 1326                  |
| EC  | Keith Vernon          | (00 322) 299 3446              |
| Economy.com Inc                               | David Ingram          | 020 8487 1378                  |
| EIU   | Phillip Whyte         | 020 7830 1287                  |
| Economic Perspectives                         | Peter Warburton       | 01582 539 861                  |
| Fortis Bank                                   | Nick Kounis           | 0031 20 535 7106               |
| Global Insight (previously DRI-WEFA)          | Hayley Crumpler       | 020 8544 7838                  |
| Goldman Sachs                                 | Ann Terry             | 020 7774 1166                  |
| Hermes Pensions Management Ltd                | James Walsh           | 020 7680 2144                  |
| HSBC  | John Butler           | 020 7336 4147                  |
| ING Financial Markets                         | James Knightley       | 020 7767 6614                  |
| ISIS Asset Management plc (previously FIS)    | Steve Andrew          | 020 7506 1537                  |
| ITEM club                                     | John Gaster           | 01865 268913                   |
| J P Morgan                                    | Danny Gabay           | 020 7325 5335                  |
| Lehman Brothers                               | Michael Hume          | 020 7011 7745                  |
| Liverpool Macro Research                      | David Meenagh         | 029 2087 5198                  |
| Lombard St Research Ltd                       | Martin McMahon        | 020 7382 5913                  |
| Morgan Stanley                                | Melanie Baker         | 020 7425 8607                  |
| NIESR   | Rebecca Riley         | 020 7222 7665                  |
| Oxford Economic Forecasting                   | Adrian Cooper         | 01865 202 828                  |
| RSBFM   | Geoffrey Dicks        | 020 7375 4277                  |
| Schroders Investment Management               | Stuart Block          | 020 7658 2011                  |
| Standard Chartered Bank                       | Julian Jessop         | 020 7280 6690                  |
| UBS   | Darren Winder         | 020 7568 4412                  |
| WestLB AG                                     | Dr. Holger Sandte     | 0049 211 826 7398              |
| Williams de Broë                              | David Smith           | 020 7898 2402                  |