

Forecasts for the UK Economy

A comparison of independent forecasts

Compiled by the Macroeconomic Prospects Team

July 2006

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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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Payment of the subscription fee is £75. Cheques should be made payable to "HM Treasury votes cash Account", and should be sent to Tessa Caruth, Public Enquiry Unit, 2/W1, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ. Could fee paying subscribers direct enquiries to Tessa Caruth on 020 7270 4858. Free subscribers should contact Sion Alun Sheppard on 020 7270 4379. "Forecasts for the UK Economy" is compiled and coordinated by Sion Alun Sheppard. Please direct enquiries on the contents of this issue to Sion Alun Sheppard (020 7270 4379, sion.sheppard@hm-treasury.x.gsi.gov.uk).

The next edition will be published on 16th August 2006. 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, July 2006

This edition of the comparison contains 21 new forecasts, all of which were received between the 1st of July and the 12th of July. The tables below summarise the average and range of independent forecasts for 2006 and 2007 and show the average of this month's new forecasts.

Forecasts for 2006	Independent ⁺				Average of new* forecasts
	Averages		July		
	July	June	Lowest	Highest	
GDP growth (per cent)	2.4	2.3	1.5	2.7	2.4
Inflation rate (Q4: per cent)					
- CPI	2.1	2.1	1.5	2.6	2.2
- RPI	2.7	2.7	1.9	3.8	2.9
Claimant unemployment (Q4: mn)	0.99	0.99	0.90	1.10	0.99
Current account (£bn)	-34.4	-33.0	-47.1	-24.0	-35.0
PSNB (2006-07: £bn)	37.9	37.7	33.1	44.0	38.5

Forecasts for 2007	Independent ⁺				Average of new* forecasts
	Averages		July		
	July	June	Lowest	Highest	
GDP growth (per cent)	2.4	2.5	0.3	3.2	2.4
Inflation rate (Q4: per cent)					
- CPI	1.9	2.0	1.2	3.1	1.9
- RPI	2.4	2.4	1.5	3.5	2.4
Claimant unemployment (Q4: mn)	1.04	1.03	0.90	1.40	1.04
Current account (£bn)	-35.2	-33.9	-56.1	-16.0	-35.8
PSNB (2007-08: £bn)	37.1	36.8	29.0	51.0	37.4

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (July: 21 institutions, June: 8 institutions, May: 7 institutions)

*Calculated from new forecasts received for the comparison this month

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

Table 1 - 2006: Growth in GDP and its components (% change)

July 2006 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
City Forecasters										
ABN AMRO	Jul *	2.5	2.0	3.6	3.8 f	-	-	9.8	9.8	-
Bank of America	Jul *	2.6	2.1	1.8	4.9	4.9	2.6	10.9	10.0	-0.1
Barclays Capital	Jul *	2.6	2.2	3.8	4.2	3.3	3.0	10.0	10.4	-0.5
BNP Paribas	Apr	2.6	2.5	2.6	3.9	-0.1	2.6	5.5	5.2	-0.1
Bridgwell	Jul *	2.6	2.7	1.6	4.6	3.9	2.8	10.5	10.5	-0.4
Capital Economics	Jul *	2.5	2.0	1.3	4.5	3.1	2.3	12.5	10.7	0.2
Citigroup	Jul *	2.5	2.0	1.8	7.0	4.2	2.9	11.4	11.6	-0.4
Commerzbank	Jul *	2.5	1.8	1.9	5.3	4.1	2.5	14.1	12.8	-0.1
Credit Suisse First Boston	Jan	2.3	2.5	2.2	4.5	1.6	2.6	5.8	6.3	-0.4
Daiwa Institute of Research	Jun	2.4	2.3	3.1	3.0	1.3	2.7	9.1	9.2	-
Daiwa Securities SMBC	May	2.3	1.6	2.7	2.5	1.8	1.9	6.2	4.5	0.3
Deutsche Bank	Jan	2.0	1.8	2.0	3.3	5.3	2.0	4.6	5.0	-0.3
Dresdner Kleinwort Wasserstein	Jul *	2.3	1.9	1.6	4.3	-	2.4	-	-	-0.1
Economic Perspectives	Jul *	1.5	1.4	2.1	2.3	3.6	1.7	8.5	8.4	-0.3
Fortis Bank	Dec	2.5	2.1	2.0	5.2	-	2.4	8.1	6.8	0.2
Goldman Sachs	Jul *	2.7	2.2	3.6	2.6	0.1 h	2.6	11.0	9.7	0.0
Hermes	Jun	2.0	1.9	3.0	3.2	2.7	2.4	9.6	9.9	-0.5
HSBC	May	2.1	2.0	2.4	3.7	-	2.3	4.9	5.3	-
ING Financial Markets	Jul *	2.3	1.6	1.9	4.7	3.0	2.4	8.8	8.4	-0.1
J P Morgan	Jun	2.6	2.2	3.7	3.7	4.7	2.9	10.4	10.4	-0.4
Lehman Brothers	Jul *	2.4	1.9	1.7	4.7	1.6	2.1	9.9	8.3	0.2
Lombard Street	May	2.6	2.4	2.5	4.5	2.5	2.8	6.0	6.2	-0.3
MacroEcon.com	Jul *	2.6	2.4	2.6	2.6	3.3	2.6	9.5	8.5	-
Morgan Stanley	Jul *	2.4	1.7	2.5	3.1	6.8	2.3	11.5	10.2	0.0
RBS Financial Markets	Jul *	2.6	2.0	5.5	5.5	5.4	2.8	11.5	11.2	-0.2
Schroders Investment Management	Jan	1.7	1.6	1.9	2.3	-	1.8	4.9	4.8	-0.1
Standard Chartered Bank	Jun	2.1	1.7	2.5	4.6	2.5	2.2	3.8	3.9	-0.2
UBS	Jun	2.4	2.0	3.3	3.8	0.1	2.7	10.0	10.0	-0.4
WestLB AG	Jun	2.0	1.7	3.3	2.7	4.2	2.4	9.0	9.6	-0.5
Williams de Broe	Jun	2.5	2.1	3.5	4.8	3.9	3.0	8.8	9.6	-0.7
Non-City Forecasters										
Cambridge Econometrics	May	2.2	2.0	2.8	3.6	1.0	2.3	6.6	6.6	-0.2
CBI	Jun	2.4	2.2	2.5	4.5	4.9	2.8	7.7	8.4	-0.5
CEBR	Jul *	2.6	2.4	3.2	2.3	4.6	2.9	-	-	-
Experian Business Strategies	Jul *	2.4	2.2	3.2	2.4	3.8	2.5	8.7	8.4	-0.2
EIU	Jan	1.8	1.7	1.7	2.4	-	1.7	4.6	3.9	0.1
Global Insight	Jul *	2.6	1.9	1.9	4.7	-	2.6	11.9	10.9	0.0
ITEM Club	May	2.3	2.0	3.2	1.8	0.0	2.2	6.7	5.8	0.0
Liverpool Macro Research	Jul *	2.1	1.9 c	4.6 d	1.2 e	-	-	-	-	-
Moody's Economy.com	Jul *	2.2	1.9	2.8	1.7	-0.6	1.8	3.2	4.9	-
NIESR	Apr	2.5	2.2	2.5	3.4	2.4 r	2.5	6.1	5.9	-0.2
OEF	Jul *	2.6	2.0	1.8	5.1	5.6	2.7	10.4	10.0	-0.2
EC	May	2.4	1.9	3.0	3.4	0.0 h	2.5	5.9	5.2	0.0
OECD	May	2.4	2.1	2.5	3.1	0.0 h	2.4	7.3	6.7	-0.1
IMF	Apr	2.5	2.5	3.2	2.5	-0.1 h	2.5	5.7	5.3	-0.1
Average of Forecasts made in the last 3 months										
Independent		2.4	2.0	2.7	3.8	3.2	2.5	9.0	8.7	-0.2
New (marked *)		2.4	2.0	2.5	4.0	3.8	2.5	10.2	9.7	-0.1
City		2.4	2.0	2.7	4.0	3.4	2.5	9.5	9.1	-0.2
Range of Forecasts made in the last 3 months										
Highest		2.7	2.7	5.5	7.0	6.8	3.0	14.1	12.8	0.3
Lowest		1.5	1.4	1.3	1.7	-0.6	1.7	3.2	3.9	-0.7
Median		2.4	2.0	2.6	3.8	3.5	2.5	9.5	9.6	-0.2
HM Treasury	Mar	2 to 2½	2 to 2½	2½	1¼ to 2	1.1 to 1.9	2 to 2¼	5 to 5½	4¼ to 4¾	0

Table 2 - 2006: Growth in prices and monetary indicators (% change)

July 2006 Comparison

Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4) (1990=100)	Bank of England Repo Rate (Q4, %)	Oil price (\$)	M4
City Forecasters									
ABN AMRO	Jul *	2.0	-	2.4	5.0 gg	-	4.75	-	-
Bank of America	Jul *	2.0	-	2.6	3.9	-	4.50	65.0	-
Barclays Capital	Jul *	2.4	3.1	2.8	4.7	98.8	4.75	-	-
BNP Paribas	Apr	2.5	3.5	3.0	3.8	-	4.75	-	-
Bridgewell	Jul *	2.6	3.8	3.2	4.2	95.7	5.00	-	11.7
Capital Economics	Jul *	2.0	2.7	2.5	3.8	100.8	4.50	60.0	11.2
Citigroup	Jul *	2.0	3.0	2.7	4.0	100.0	4.50	67.4	-
Commerzbank	Jul *	2.2	2.7	2.8	4.2	98.5	4.50	64.6	-
Credit Suisse First Boston	Jan	1.8	2.1	1.8	-	-	4.50	-	-
Daiwa Institute of Research	Jun	2.1	2.9	2.4	4.3	103.0	4.50	66.9	-
Daiwa Securities SMBC	May	1.9	2.1	1.9	3.8	-	4.50	65.0	-
Deutsche Bank	Jan	1.6	2.0	2.0	4.2	97.2	4.00	60.0	6.4
Dresdner Kleinwort Wasserstein	Jul *	2.0	2.4	-	4.0	-	4.50	-	-
Economic Perspectives	Jul *	2.4	2.5	2.5	3.8	96.0	4.40	65.0	11.0
Fortis Bank	Dec	1.8	-	-	4.2	-	4.50	60.0	-
Goldman Sachs	Jul *	2.2	-	2.5	4.5	96.0 j	4.90 js	70.6	10.7 j
Hermes	Jun	1.8	2.6	2.3	4.2	98.0	4.50	-	-
HSBC	May	2.1	2.1	2.1	3.9	96.1	4.25	-	-
ING Financial Markets	Jul *	2.0	-	-	4.2	-	4.75	68.0	-
J P Morgan	Jun	1.9	-	-	-	-	4.75	-	-
Lehman Brothers	Jul *	2.1	2.9	2.5	4.0	98.0	4.50	-	-
Lombard Street	May	1.8	2.3	2.2	4.3	102.2	4.50	50.0	10.6
MacroEcon.com	Jul *	2.6	3.0	2.8	4.4	104.2	4.75	68.0	13.0
Morgan Stanley	Jul *	2.4	3.2	2.9	4.0	97.4 j	4.75	72.1	-
RBS Financial Markets	Jul *	2.0	3.0	2.7	4.1	99.5	4.50	67.1	-
Schroders Investment Management	Jan	1.8	1.8	1.6	4.0	-	3.75	50.5	-
Standard Chartered Bank	Jun	1.5	-	-	4.2	-	4.50	60.0	-
UBS	Jun	2.1	2.4	2.4	3.9	-	4.75	-	-
WestLB AG	Jun	2.2	2.8	2.3	3.6	-	4.50	70.0	10.5
Williams de Broe	Jun	1.9	2.4	2.4	4.5	99.4 r	4.80	68.2	11.0
Non-City Forecasters									
Cambridge Econometrics	May	2.0 k	2.3 k	2.1 k	4.2 n	103.1 k	4.50 ks	65.1	-
CBI	Jun	2.3	2.5	2.2	4.2	101.0 r	4.50	65.3 ii	-
CEBR	Jul *	2.1	3.1	2.8	3.8	-	4.50	68.5	-
Experian Business Strategies	Jul *	2.2	3.0	2.7	4.4	96.4	4.50	62.0	-
EIU	Jan	1.9	-	-	3.9	97.4	4.25	55.0	-
Global Insight	Jul *	2.0	2.7	2.6	4.2	-	4.50	66.2	11.7
ITEM Club	May	2.0	2.7	2.6	4.3	100.0	4.50	65.0	10.5
Liverpool Macro Research	Jul *	-	-	2.0	4.2	99.4	4.40	-	-
Moody's Economy.com	Jul *	1.7	1.9	1.5	3.0	-	4.75	63.6	12.4
NIESR	Apr	2.4	2.8 k	2.6 k	4.4 r	99.2 r	4.70 s	61.4 v	-
OEF	Jul *	2.2	3.0	2.7	4.2	102.6	4.50	67.8	12.6
EC	May	2.0	-	-	4.3 gg	-	-	-	-
OECD	May	2.1 k	-	-	5.1 gg	-	4.50 s	-	-
IMF	Apr	1.9	-	-	-	-	-	-	-
Average of Forecasts made in the last 3 months									
Independent		2.1	2.7	2.5	4.1	99.4	4.57	65.5	11.5
New (marked *)		2.2	2.9	2.6	4.1	99.2	4.59	66.4	11.9
City		2.1	2.7	2.5	4.1	99.3	4.59	65.5	11.3
Range of Forecasts made in the last 3 months									
Highest		2.6	3.8	3.2	4.7	104.2	5.00	72.1	13.0
Lowest		1.5	1.9	1.5	3.0	95.7	4.25	50.0	10.5
Median		2.0	2.7	2.5	4.2	99.4	4.50	66.2	11.2
HM Treasury	Mar	2	-	-	-	-	-	-	-

Table 3 - 2006: Growth in other selected variables (% change)

July 2006 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment Growth	Claimant Unemployment (Q4,millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2006-07)
City Forecasters								
ABN AMRO	Jul *	2.3	-	1.62 a	-	-	-54.8 tt	35.2
Bank of America	Jul *	-	-	-	0.9	7.4	-26.8	41.9
Barclays Capital	Jul *	2.5	0.8	0.99	1.3	-	-37.4	38.0 cc
BNP Paribas	Apr	-	0.7	-	0.1	-	-25.4	37.5
Bridgewell	Jul *	2.2	0.9	0.94	1.1	-	-40.1	39.6
Capital Economics	Jul *	2.5	0.3	1.00	1.0	8.5	-32.0	37.0
Citigroup	Jul *	2.5	0.6	1.06	0.5	-	-42.0	37.5
Commerzbank	Jul *	1.8	0.7	0.97	0.6	8.0 w	-30.6	39.7
Credit Suisse First Boston	Jan	-	-	1.10	-	-	-30.0	35.0
Daiwa Institute of Research	Jun	2.4	0.6	0.95	0.6	8.5	-34.6	35.0
Daiwa Securities SMBC	May	-	-0.1	1.00	-	-	-25.0	39.0 cc
Deutsche Bank	Jan	-	0.5	1.02	-0.6	-	-26.0	38.0
Dresdner Kleinwort Wasserstein	Jul *	-	-	-	-	-	-25.0	39.0
Economic Perspectives	Jul *	0.5	-0.3	1.10	0.5	8.0	-24.0	44.0
Fortis Bank	Dec	-	-	0.95	-	7.0	-25.0	34.0
Goldman Sachs	Jul *	-	1.0	1.70 a	1.2	-	-40.6	38.5
Hermes	Jun	-	0.0	1.00	-	-	-30.0	-
HSBC	May	-	-	1.10	0.7	-	-40.0	-
ING Financial Markets	Jul *	-	-	0.97	0.6	-	-32.0	39.0
J P Morgan	Jun	-	-	-	0.4	-	-41.4	35.0
Lehman Brothers	Jul *	2.4	0.4	1.06	0.4	-	-39.7	38.0
Lombard Street	May	2.7	0.8	1.03	1.5	-	-28.4	40.0
MacroEcon.com	Jul *	-	0.8	0.92	-	5.5	-32.0	37.0
Morgan Stanley	Jul *	2.3	0.7	-	0.8	-	-	38.3
RBS Financial Markets	Jul *	2.1	0.7	0.95	1.0	5.7	-37.1	35.8
Schroders Investment Management	Jan	-	-0.2	1.10	0.9	-	-21.0	44.0
Standard Chartered Bank	Jun	-	-	0.95	-	-	-32.0	35.0
UBS	Jun	-	-	0.90	0.6	-	-32.9	37.8
WestLB AG	Jun	-	1.0	-	0.5	-	-31.2	-
Williams de Broe	Jun	-	0.4	0.98	-0.2	8.7	-41.3	34.5
Non-City Forecasters								
Cambridge Econometrics	May	2.3	0.7	1.00 k	0.5	3.5 hh	-27.2	46.2 kcc
CBI	Jun	2.1	0.4	0.99	1.0	8.6	-38.6	36.1
CEBR	Jul *	1.8	0.6	0.99	2.0	-	-33.2	39.8
Experian Business Strategies	Jul *	1.9	0.3	1.01	0.8	10.5	-47.1	39.8
EIU	Jan	1.9	0.2	1.06	0.8	7.0	-25.2	38.9
Global Insight	Jul *	2.5	0.8	0.97	0.8	-	-30.6	39.4
ITEM Club	May	2.2	0.6	1.01	0.4	8.0	-31.1	40.0
Liverpool Macro Research	Jul *	-	-	0.93	-	-	-36.8	35.2 cc
Moody's Economy.com	Jul *	2.7	0.8	1.00	0.1	-	-46.7	-
NIESR	Apr	2.2	0.3	0.97 k	1.0	7.2 w	-34.6	38.1
OEF	Jul *	2.0	0.6	0.96	0.9	8.6	-32.1	33.1
EC	May	-	0.4	5.00 aak	-	-	-3.3 g	3.0 kqq
OECD	May	-	0.3	5.30 aak	-	-	-2.4 g	3.4 eeg
IMF	Apr	-	0.4	4.90 aak	-	8.0 w	-2.7 g	3.1 eeg
Average of Forecasts made in the last 3 months								
Independent		2.2	0.6	0.99	0.8	8.0	-34.4	37.9
New (marked *)		2.1	0.6	0.99	0.9	7.7	-35.0	38.5
City		2.2	0.6	0.99	0.7	7.5	-33.7	37.9
Range of Forecasts made in the last 3 months								
Highest		2.7	1.0	1.10	2.0	10.5	-24.0	44.0
Lowest		0.5	-0.3	0.90	-0.2	5.5	-47.1	33.1
Median		2.3	0.6	0.99	0.7	8.5	-32.5	38.2
HM Treasury	Mar	2½ to 2¾	-	-	½ to 1	7¼ w	-32¾	36

Table 4 - 2007: Growth in GDP and its components (% change)

July 2006 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
City Forecasters										
ABN AMRO	Jul *	2.7	2.4	2.8	3.2 f	-	-	6.1	5.9	-
Bank of America	Jul *	2.4	2.1	1.9	3.3	4.2	2.3	3.8	3.1	0.1
Barclays Capital	Jul *	3.0	2.5	2.8	5.5	2.0	3.0	4.9	4.5	-0.1
BNP Paribas	Apr	2.7	2.8	2.3	4.6	0.4	3.0	4.8	5.4	-0.4
Bridgewell	Jul *	2.7	3.0	2.5	3.5	2.3	2.8	6.8	6.7	-0.2
Capital Economics	Jul *	2.2	2.5	2.0	2.5	2.6	2.3	2.2	2.5	-0.1
Citigroup	Jul *	2.6	2.2	2.2	7.9	0.8	2.9	5.2	5.7	-0.3
Commerzbank	Jul *	2.5	2.1	2.5	3.9	2.0	2.3	5.1	4.2	0.2
Credit Suisse First Boston	Jan	-	-	-	-	-	-	-	-	-
Daiwa Institute of Research	Jun	2.5	2.4	2.3	3.8	2.6	2.6	5.4	5.1	-
Daiwa Securities SMBC	May	2.5	1.8	1.6	4.4	2.0	2.3	5.0	3.8	0.2
Deutsche Bank	Jan	-	-	-	-	-	-	-	-	-
Dresdner Kleinwort Wasserstein	Jul *	1.9	1.8	2.0	2.7	-	2.0	-	-	-0.1
Economic Perspectives	Jul *	0.3	0.2	1.3	-3.3	0.0	-0.4	2.1	-0.3	0.7
Fortis Bank	Dec	-	-	-	-	-	-	-	-	-
Goldman Sachs	Jul *	2.4	2.2	2.8	1.5	0.0 h	2.1	4.4	3.0	0.3
Hermes	Jun	2.0	2.3	1.2	2.0	4.4	2.2	3.9	4.2	-0.3
HSBC	May	2.4	2.1	2.3	3.5	-	2.3	3.4	3.2	-
ING Financial Markets	Jul *	2.0	1.9	2.0	3.2	0.7	2.2	3.9	4.3	-0.2
J P Morgan	Jun	2.9	2.3	2.6	4.0	3.4	2.5	7.0	5.3	0.3
Lehman Brothers	Jul *	2.5	1.4	2.5	3.8	1.9	2.0	3.9	2.4	0.4
Lombard Street	May	2.0	2.1	2.5	3.6	2.5	2.4	3.2	4.4	-0.5
MacroEcon.com	Jul *	2.7	3.2	2.2	2.8	3.3	3.1	8.0	7.5	-
Morgan Stanley	Jul *	2.5	1.8	2.5	2.0	10.6	2.3	3.5	2.9	0.1
RBS Financial Markets	Jul *	2.7	2.6	3.9	3.9	4.0	2.7	4.5	4.3	0.0
Schroders Investment Management	Jan	2.4	2.5	1.5	2.8	-	2.6	4.6	4.6	-0.2
Standard Chartered Bank	Jun	2.5	1.8	2.0	4.8	2.8	2.4	3.8	3.3	0.0
UBS	Jun	2.6	2.8	2.3	4.0	0.0	2.9	4.2	4.7	-0.3
WestLB AG	Jun	2.0	2.0	1.4	2.4	5.3	2.0	3.7	3.4	-0.1
Williams de Broe	Jun	3.2	2.7	2.5	3.4	3.9	2.8	5.2	3.6	0.4
Non-City Forecasters										
Cambridge Econometrics	May	2.7	2.5	2.8	3.8	1.4	2.8	5.6	5.5	-0.1
CBI	Jun	2.5	2.3	2.5	4.1	2.9	2.5	5.0	4.7	-0.1
CEBR	Jul *	2.3	2.2	2.6	3.0	2.6	2.2	-	-	-
Experian Business Strategies	Jul *	2.7	2.3	1.3	2.1	4.7	2.2	4.9	3.1	0.4
EIU	Jan	-	-	-	-	-	-	-	-	-
Global Insight	Jul *	2.6	2.3	2.2	3.4	-	2.7	5.1	5.3	-0.1
ITEM Club	May	2.6	2.3	2.3	3.6	0.0	2.5	7.0	6.3	-0.1
Liverpool Macro Research	Jul *	2.4	2.2 c	4.7 d	2.4 e	-	-	-	-	-
Moody's Economy.com	Jul *	2.1	2.4	2.0	2.2	1.2	2.4	3.3	4.0	-
NIESR	Apr	2.8	1.9	2.3	3.5	3.8 r	2.3	4.7	3.1	0.3
OEF	Jul *	2.8	2.7	2.5	4.1	3.5	2.8	5.2	5.0	-0.1
EC	May	2.8	2.3	2.2	4.3	0.0 h	2.7	5.2	4.3	0.1
OECD	May	2.9	2.4	2.1	5.2	0.0 h	2.8	7.8	6.9	0.0
IMF	Apr	2.7	2.6	2.5	3.1	0.0 h	2.7	4.8	4.7	-0.1
Average of Forecasts made in the last 3 months										
Independent		2.4	2.2	2.3	3.4	2.8	2.4	4.8	4.3	0.0
New (marked *)		2.4	2.2	2.3	3.1	2.9	2.3	4.6	4.1	0.1
City		2.4	2.2	2.3	3.3	2.9	2.3	4.5	4.1	0.0
Range of Forecasts made in the last 3 months										
Highest		3.2	3.2	3.9	7.9	10.6	3.1	8.0	7.5	0.7
Lowest		0.3	0.2	1.2	-3.3	0.0	-0.4	2.1	-0.3	-0.5
Median		2.5	2.3	2.3	3.6	2.6	2.4	4.9	4.3	-0.1
HM Treasury	Mar	2% to 3%	2% to 2%	2½	4 to 4½	1.8 to 3.8	2% to 3%	4% to 5%	4½ to 5	0

Table 5 - 2007: Growth in prices and monetary indicators (% change)

July 2006 Comparison

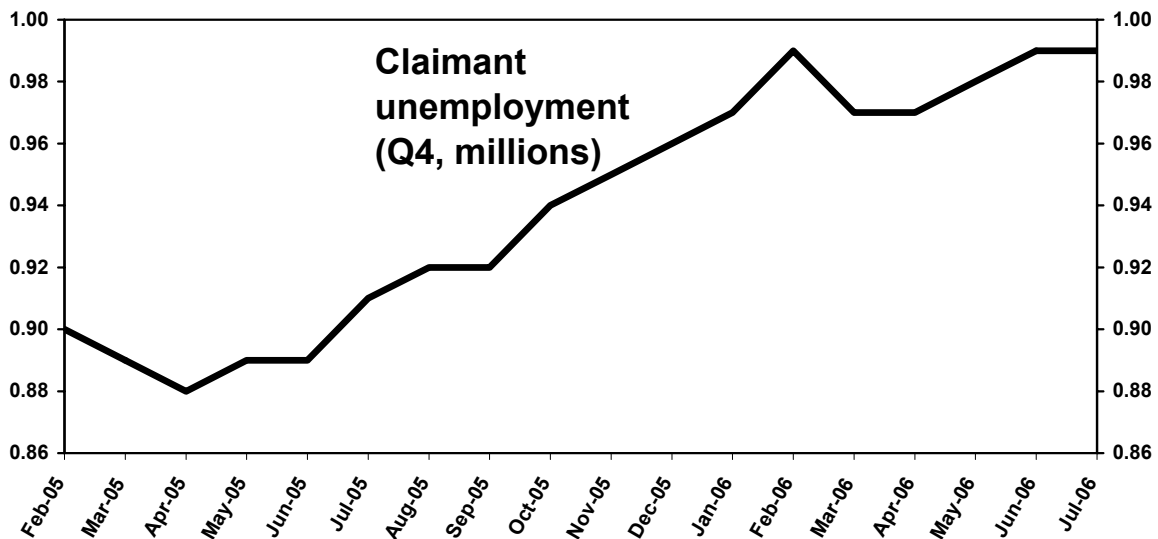
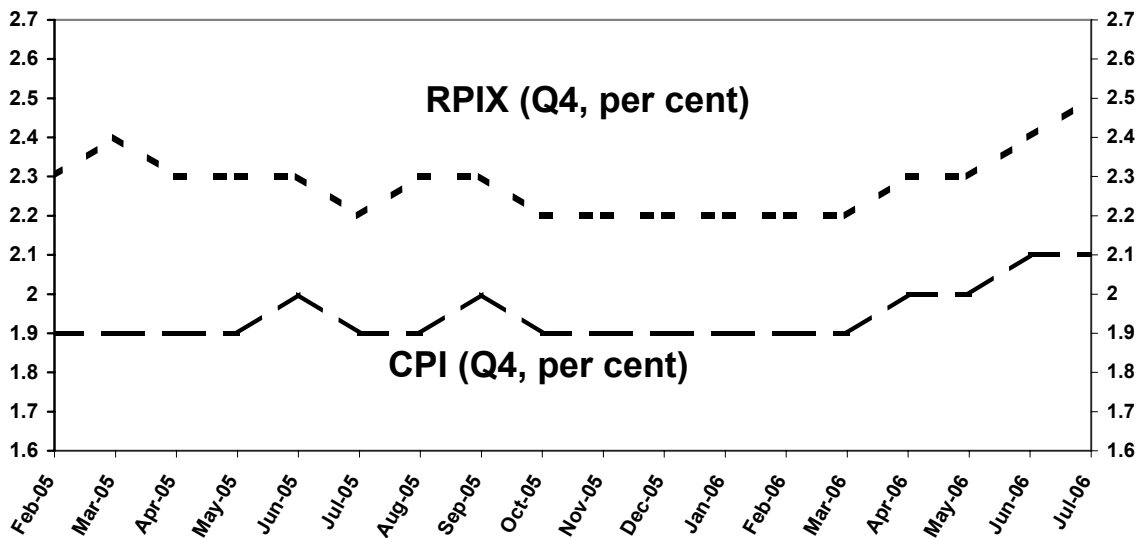
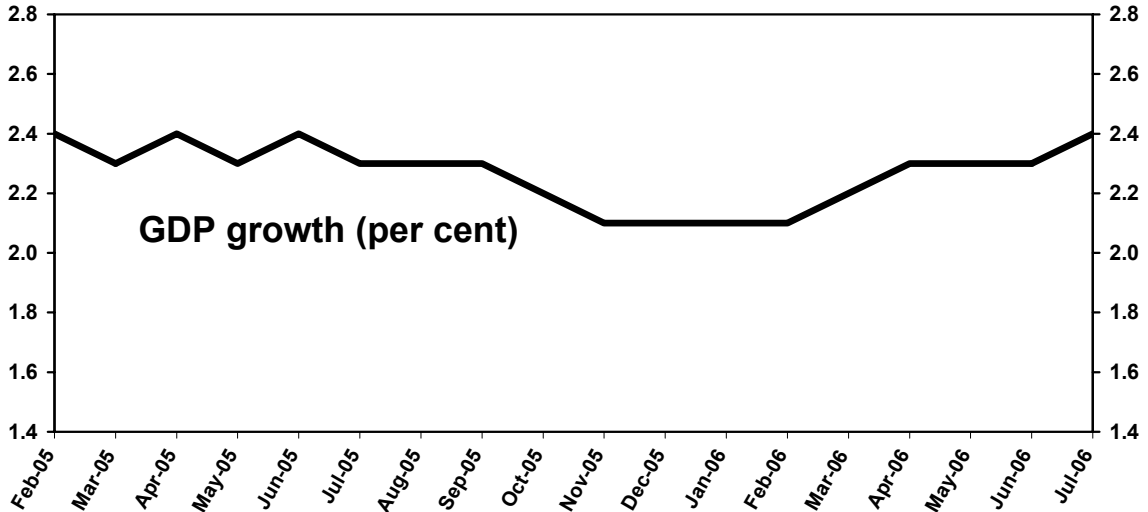
Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4) (1990=100)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
City Forecasters									
ABN AMRO	Jul *	1.9	-	2.2	4.8 gg	-	5.00	-	-
Bank of America	Jul *	1.7	-	2.0	3.7	-	4.50	62.0	-
Barclays Capital	Jul *	1.9	2.3	2.2	4.6	97.7	4.75	-	-
BNP Paribas	Apr	2.1	2.8	2.3	4.1	-	4.75	-	-
Bridgewell	Jul *	2.4	3.4	3.0	4.0	94.5	5.50	-	9.3
Capital Economics	Jul *	1.4	2.1	2.0	4.0	98.4	4.25	50.0	8.0
Citigroup	Jul *	1.2	2.2	1.9	3.7	99.4	4.50	68.9	-
Commerzbank	Jul *	2.0	2.5	2.6	4.1	97.3	5.00	57.3	-
Credit Suisse First Boston	Jan	-	-	-	-	-	-	-	-
Daiwa Institute of Research	Jun	1.9	2.3	2.2	4.2	101.9	4.50	63.4	-
Daiwa Securities SMBC	May	2.0	2.4	2.2	4.3	-	4.50	55.0	-
Deutsche Bank	Jan	-	-	-	-	-	-	-	-
Dresdner Kleinwort Wasserstein	Jul *	2.4	2.2	-	4.0	-	4.25	-	-
Economic Perspectives	Jul *	2.4	2.6	2.6	3.5	92.0	4.00	60.0	7.0
Fortis Bank	Dec	-	-	-	-	-	-	-	-
Goldman Sachs	Jul *	1.9	-	2.3	4.5	93.0 j	4.90 js	75.0	9.8 j
Hermes	Jun	2.0	2.8	2.5	4.6	92.0	4.50	-	-
HSBC	May	1.9	2.5	2.2	4.1	-	4.50	-	-
ING Financial Markets	Jul *	1.9	-	-	4.2	-	4.50	60.0	-
J P Morgan	Jun	2.0	-	-	-	-	5.00	-	-
Lehman Brothers	Jul *	1.6	1.7	1.8	3.2	95.0	4.00	-	-
Lombard Street	May	1.8	2.0	2.2	2.8	101.5	3.75	40.0	7.3
MacroEcon.com	Jul *	3.1	3.5	3.2	4.6	104.0	5.00	62.0	14.0
Morgan Stanley	Jul *	1.9	2.7	2.1	4.2	93.2 j	5.00	68.5	-
RBS Financial Markets	Jul *	1.8	2.8	2.5	4.0	98.1	4.50	68.0	-
Schroders Investment Management	Jan	1.9	2.5	2.5	4.2	-	4.00	50.0	-
Standard Chartered Bank	Jun	2.0	-	-	4.2	-	4.00	-	-
UBS	Jun	2.1	2.4	2.5	4.2	-	4.75	-	-
WestLB AG	Jun	1.8	1.8	1.5	3.5	-	4.50	65.0	10.0
Williams de Broe	Jun	1.9	2.4	2.6	4.7	91.5 r	5.70	70.3	6.8
Non-City Forecasters									
Cambridge Econometrics	May	2.1 k	2.5 k	2.0 k	4.4 n	102.9 k	4.80 ks	63.5	-
CBI	Jun	2.2	2.7	2.4	3.9	101.0 r	4.50	63.5 ii	-
CEBR	Jul *	1.9	2.2	2.2	3.6	-	4.25	62.1	-
Experian Business Strategies	Jul *	1.9	2.3	2.4	3.9	95.7	4.00	54.5	-
EIU	Jan	-	-	-	-	-	-	-	-
Global Insight	Jul *	1.9	2.6	2.3	4.3	-	4.75	63.5	8.1
ITEM Club	May	1.8	2.6	2.5	4.7	96.0	4.50	55.0	7.5
Liverpool Macro Research	Jul *	-	-	1.9	4.1	100.6	4.50	-	-
Moody's Economy.com	Jul *	1.4	1.5	1.2	2.1	-	5.00	51.0	11.5
NIESR	Apr	2.2	3.2 k	2.9 k	4.2 r	98.7 r	4.70 s	58.3 v	-
OEF	Jul *	1.7	2.5	2.4	4.3	102.0	4.50	63.8	13.9
EC	May	2.0	-	-	4.4 gg	-	-	-	-
OECD	May	1.7 k	-	-	5.5 gg	-	4.60 s	-	-
IMF	Apr	2.0	-	-	-	-	-	-	-
Average of Forecasts made in the last 3 months									
Independent		1.9	2.4	2.3	4.0	98.1	4.58	60.9	9.4
New (marked *)		1.9	2.4	2.3	3.9	98.2	4.59	61.8	10.3
City		2.0	2.5	2.3	4.0	97.9	4.60	61.7	8.9
Range of Forecasts made in the last 3 months									
Highest		3.1	3.5	3.2	4.7	104.0	5.70	75.0	14.0
Lowest		1.2	1.5	1.2	2.1	92.0	3.75	40.0	6.8
Median		1.9	2.4	2.2	4.1	98.1	4.50	62.1	8.1
HM Treasury	Mar	2	-	-	-	-	-	-	-

Table 6 - 2007: Growth in other selected variables (% change)

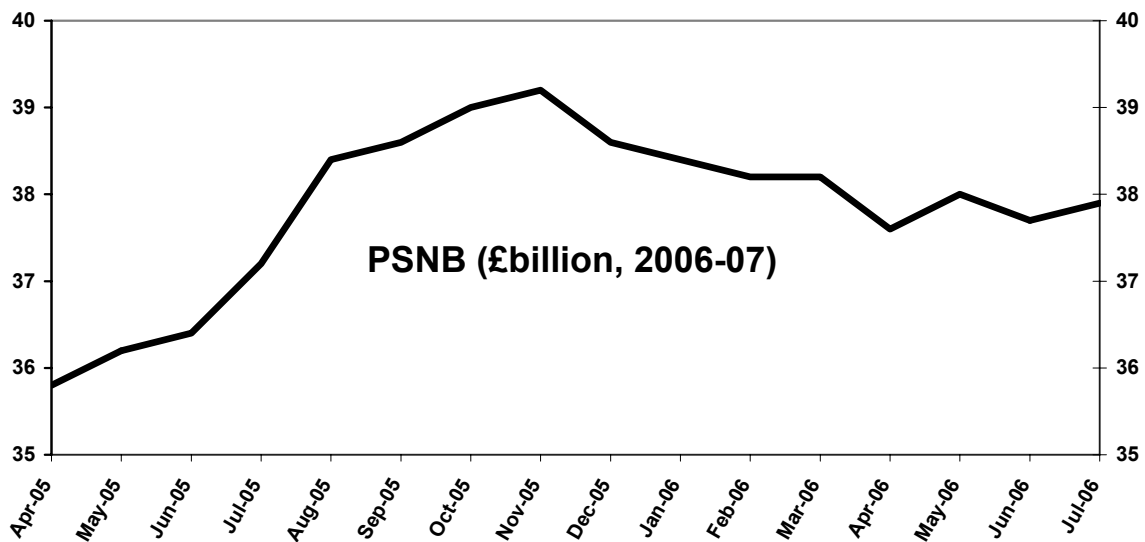
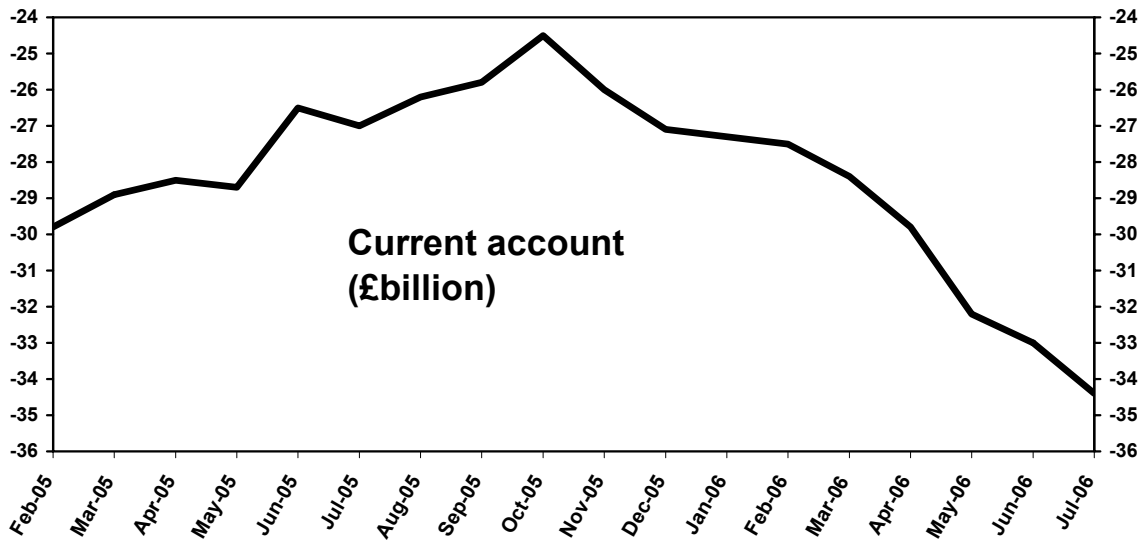
July 2006 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment Growth	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2007-08)
City Forecasters								
ABN AMRO	Jul *	2.4	-	1.65 a	-	-	-59.0 tt	31.9
Bank of America	Jul *	-	-	-	1.8	7.0	-21.0	42.5
Barclays Capital	Jul *	2.6	0.9	0.98	3.7	-	-38.8	35.2 cc
BNP Paribas	Apr	-	1.0	-	1.2	-	-23.9	35.0
Bridgewater	Jul *	2.6	1.2	0.90	2.6	-	-45.7	40.4
Capital Economics	Jul *	2.2	0.4	1.00	1.5	7.0	-28.0	29.0
Citigroup	Jul *	2.4	0.8	1.09	0.8	-	-49.6	36.9
Commerzbank	Jul *	2.0	0.6	0.92	0.0	6.1 w	-30.8	39.0
Credit Suisse First Boston	Jan	-	-	-	-	-	-	-
Daiwa Institute of Research	Jun	2.8	0.7	0.93	1.3	6.5	-34.6	34.5
Daiwa Securities SMBC	May	-	0.1	1.02	-	-	-27.0	36.0 cc
Deutsche Bank	Jan	-	-	-	-	-	-	-
Dresdner Kleinwort Wasserstein	Jul *	-	-	-	-	-	-25.0	38.0
Economic Perspectives	Jul *	-0.5	-1.2	1.40	0.8	4.0	-16.0	51.0
Fortis Bank	Dec	-	-	-	-	-	-	-
Goldman Sachs	Jul *	-	1.0	1.75 a	1.6	-	-40.6	36.6
Hermes	Jun	-	0.0	1.10	-	-	-25.0	-
HSBC	May	-	-	1.20	2.1	-	-37.0	-
ING Financial Markets	Jul *	-	-	1.10	1.6	-	-29.0	37.0
J P Morgan	Jun	-	-	-	1.9	-	-42.5	32.0
Lehman Brothers	Jul *	1.9	0.5	1.09	0.1	-	-48.9	42.0
Lombard Street	May	2.2	0.5	1.15	0.5	-	-41.9	37.0
MacroEcon.com	Jul *	-	0.8	0.92	-	6.0	-30.0	35.0
Morgan Stanley	Jul *	2.0	0.7	-	0.6	-	-	34.6
RBS Financial Markets	Jul *	3.0	0.8	0.92	1.9	5.2	-35.6	34.9
Schroders Investment Management	Jan	-	0.0	1.10	1.9	-	-29.0	45.0
Standard Chartered Bank	Jun	-	-	1.00	-	-	-29.0	32.0
UBS	Jun	-	-	0.90	1.2	-	-37.1	34.6
WestLB AG	Jun	-	1.0	-	1.2	-	-33.5	-
Williams de Broe	Jun	-	0.7	1.02	0.4	8.1	-47.4	43.7
Non-City Forecasters								
Cambridge Econometrics	May	2.7	0.7	1.00 k	1.4	3.4 hh	-25.9	38.3 kcc
CBI	Jun	2.3	1.1	1.05	0.7	7.5	-34.9	35.3
CEBR	Jul *	2.2	0.3	1.06	0.8	-	-29.8	39.2
Experian Business Strategies	Jul *	2.2	0.3	1.02	2.8	8.6	-54.4	35.9
EIU	Jan	-	-	-	-	-	-	-
Global Insight	Jul *	2.5	0.6	0.95	1.8	-	-29.8	37.2
ITEM Club	May	2.8	0.8	1.05	1.6	7.0	-29.6	41.0
Liverpool Macro Research	Jul *	-	-	1.10	-	-	-43.8	36.1 cc
Moody's Economy.com	Jul *	3.5	0.4	1.20	1.2	-	-56.1	-
NIESR	Apr	2.5	0.5	0.99 k	2.5	5.7 w	-39.6	34.4
OEF	Jul *	2.9	0.7	0.94	1.2	6.7	-27.2	32.9
EC	May	-	0.6	4.80 aak	-	-	-3.2 g	2.8 kqq
OECD	May	-	0.8	5.20 aa	-	-	-2.9 g	3.2 eeg
IMF	Apr	-	0.6	4.80 aak	-	7.5 w	-2.8 g	2.8 eeg
Average of Forecasts made in the last 3 months								
Independent		2.3	0.6	1.04	1.4	6.7	-35.2	37.1
New (marked *)		2.3	0.5	1.04	1.5	6.3	-35.8	37.4
City		2.1	0.6	1.04	1.4	6.3	-34.5	37.1
Range of Forecasts made in the last 3 months								
Highest		3.5	1.2	1.40	3.7	8.6	-16.0	51.0
Lowest		-0.5	-1.2	0.90	0.0	4.0	-56.1	29.0
Median		2.4	0.7	1.02	1.3	7.0	-34.1	36.7
HM Treasury	Mar	2 to 2½	-	-	1¼ to 2¼	7 w	-36½	30

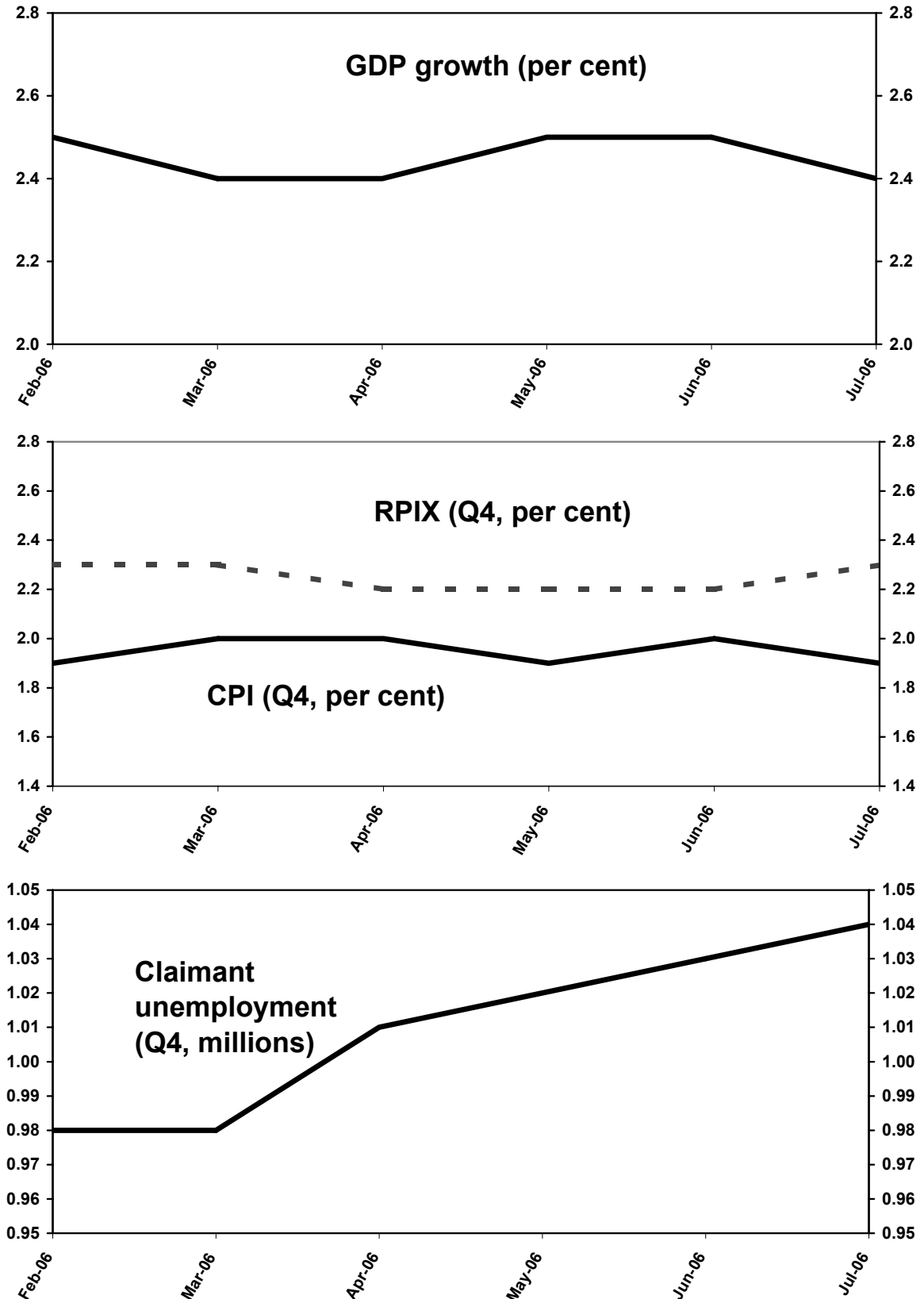
Average of independent forecasts for 2006; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



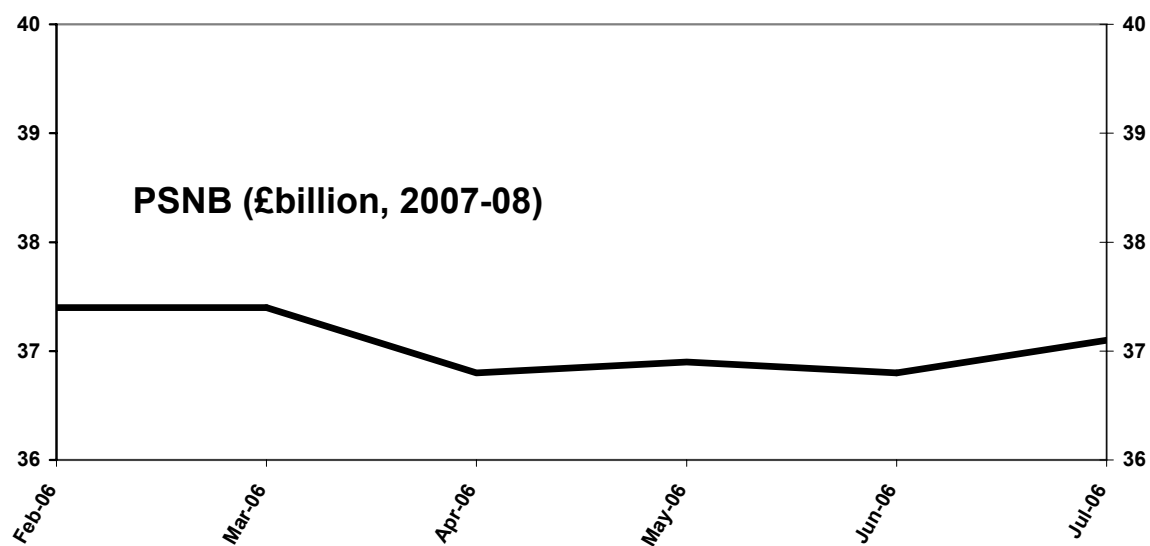
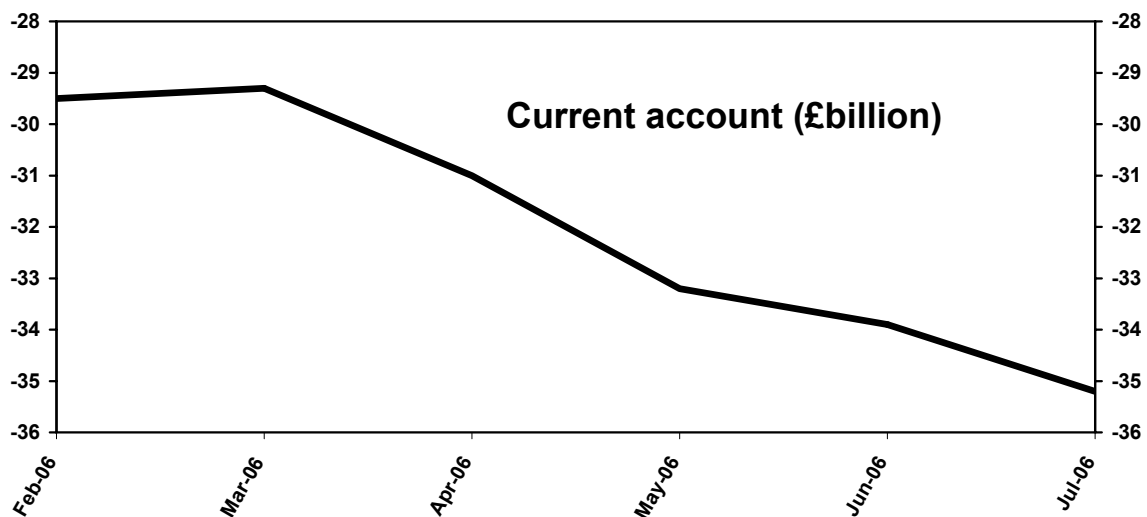
Average of independent forecasts for 2006; Current account and PSNB (2006-07, £billion)



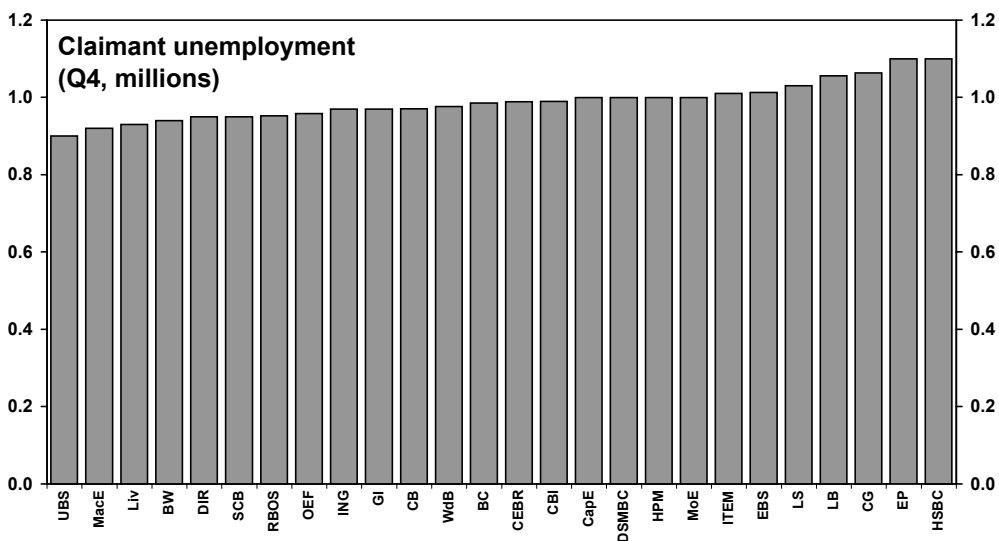
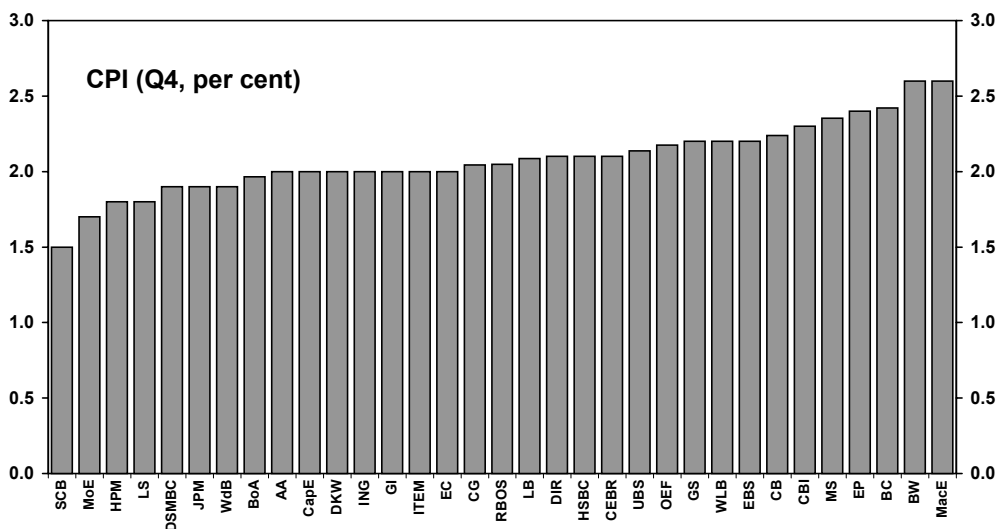
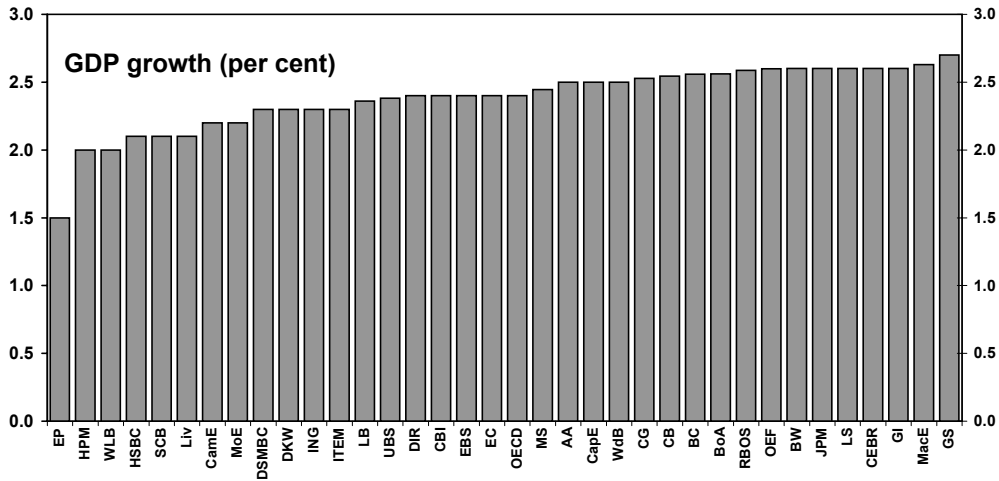
Average of independent forecasts for 2007; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



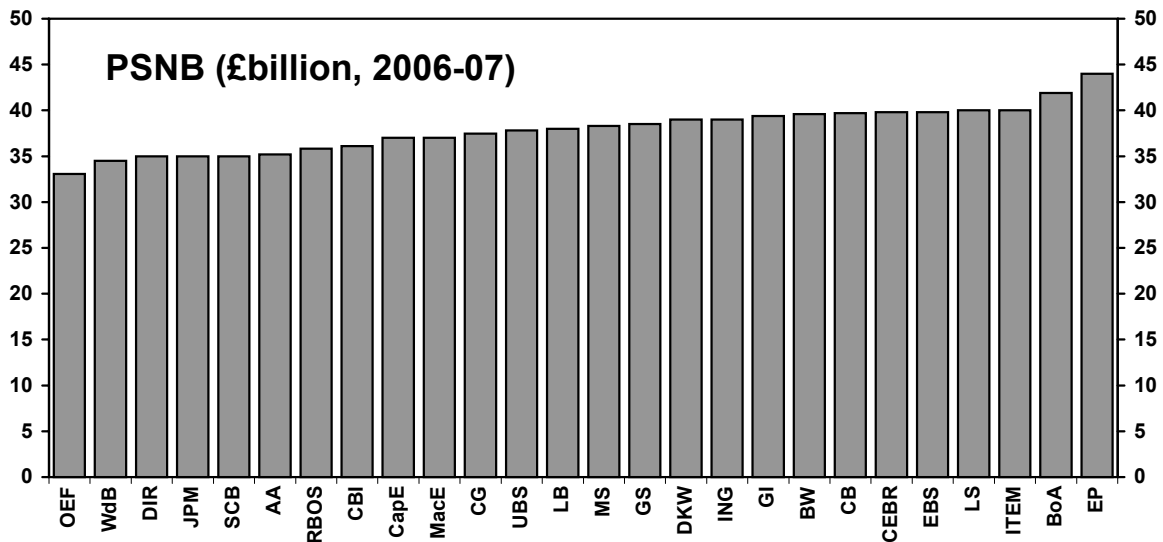
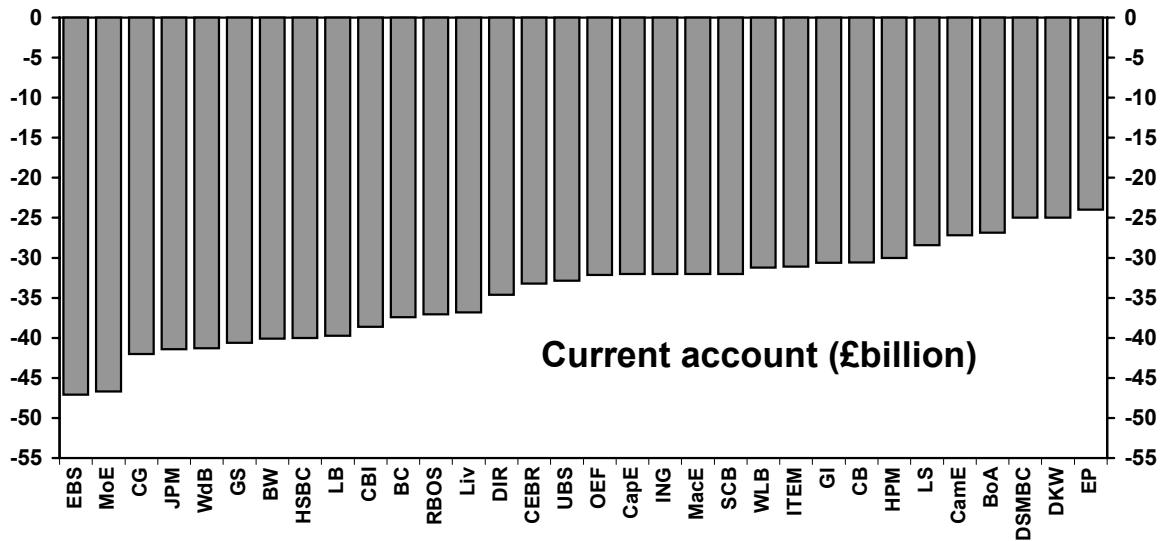
Average of independent forecasts for 2007; Current account and PSNB (2007-08, £billion)



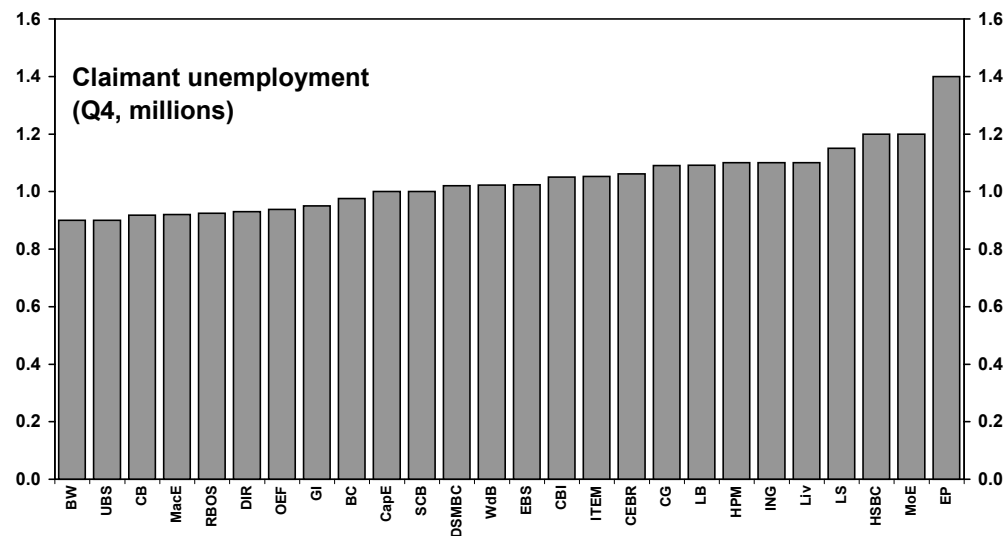
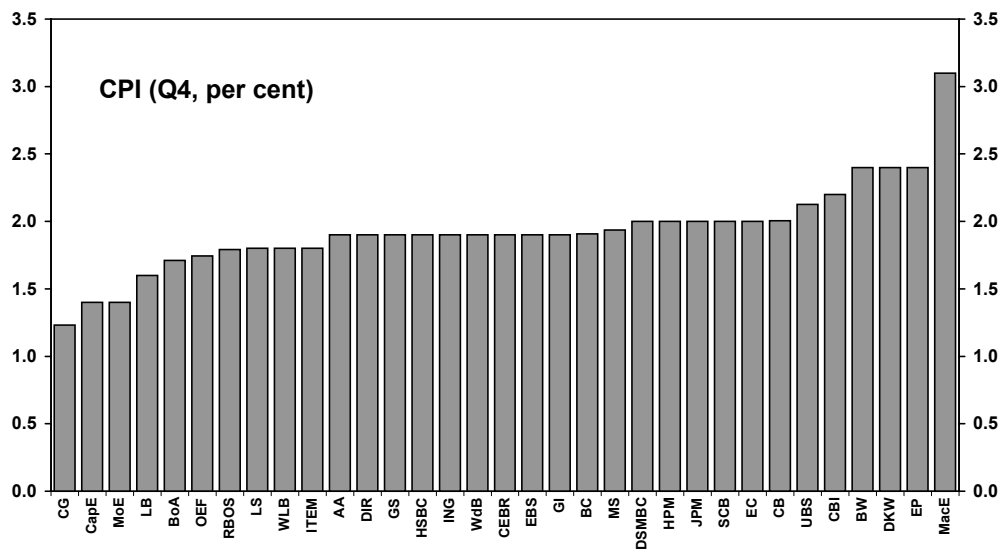
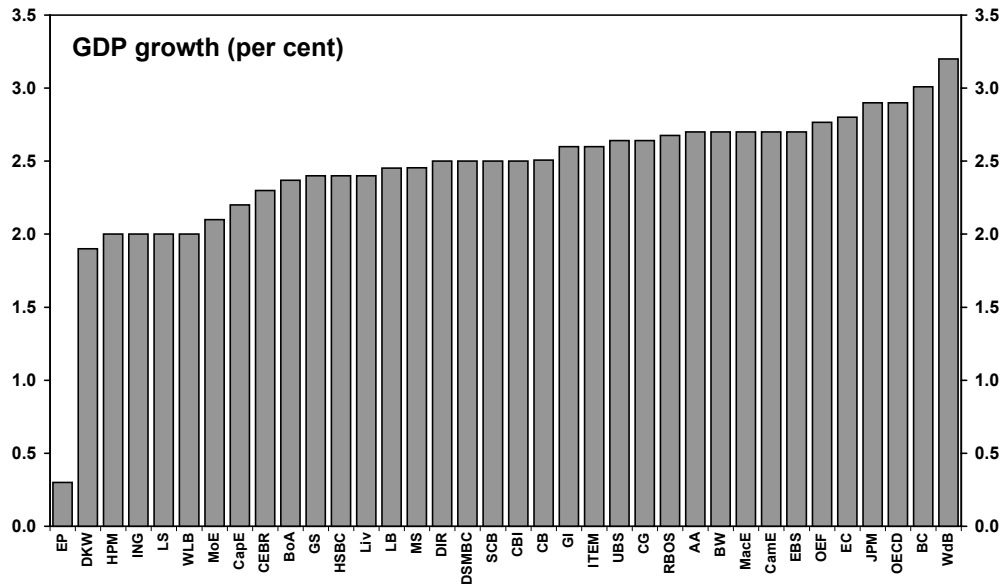
Range of Forecasts for 2006; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



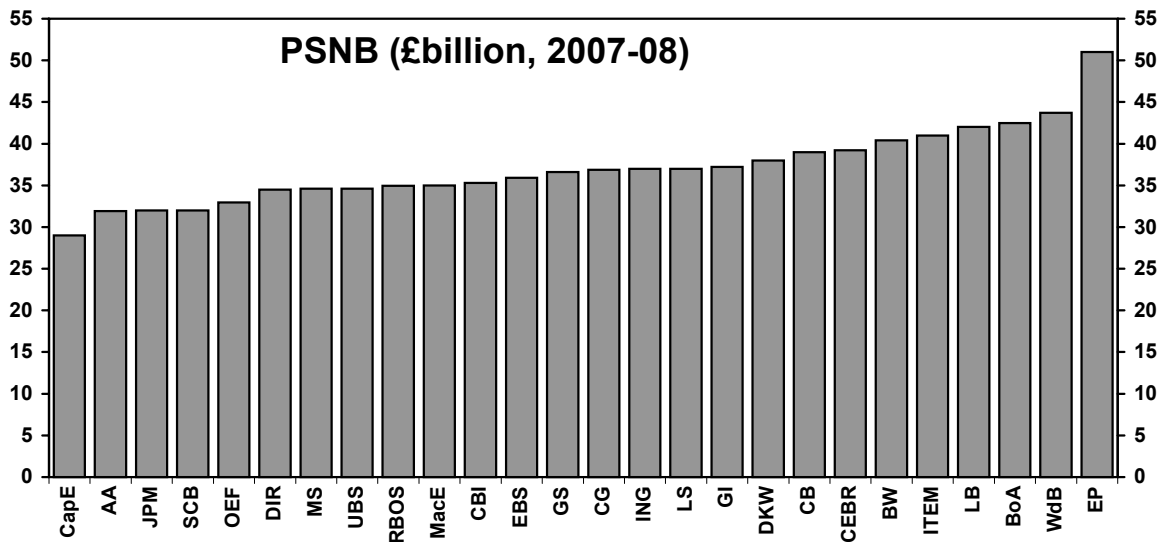
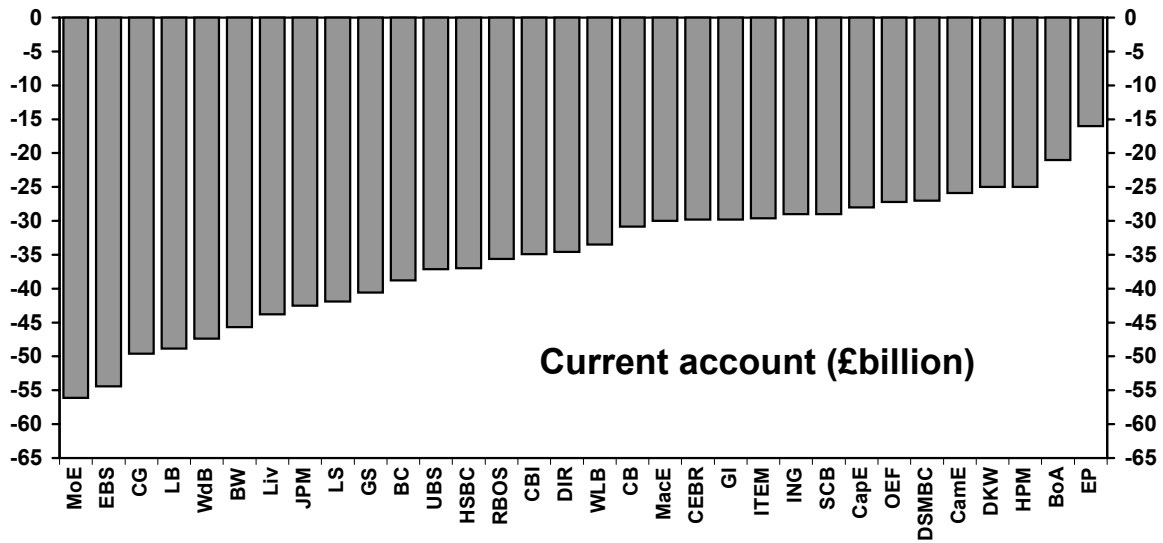
Range of Forecasts for 2006; Current Account (£bn) and PSNB (2006-07, £bn) made in last 3 months



Range of Forecasts for 2007; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



Range of Forecasts for 2007; Current Account (£bn) and PSNB (2007-08, £bn) made in last 3 months



ANNEX 1: Forecasting institutions referred to in charts and tables

AA:	ABN AMRO
BoA:	Bank of America
BC:	Barclays Capital
BP:	BNP Paribas
BW:	Bridgewell
CamE:	Cambridge Econometrics
CapE:	Capital Economics Ltd
CG:	Citigroup
CBI:	Confederation of British Industry
CEBR:	Centre for Economics and Business Research Ltd
CB:	Commerzbank
CSFB:	Credit Suisse First Boston
DIR:	Daiwa Institute of Research
DSMBC:	Daiwa Securities SMBC
DB:	Deutsche Bank
DKW:	Dresdner Kleinwort Wasserstein
EBS:	Experian Business Strategies (previously BSL)
EC:	European Commission
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
ITEM:	ITEM Club
JPM:	JP Morgan Chase
LB:	Lehman Brothers
Liv:	Liverpool Macro Research
LS:	Lombard Street Research Ltd
MacE:	MacroEcon.com
MoE:	Moody's Economy.com Inc (previously Economy.com)
MS:	Morgan Stanley
NIESR:	National Institute for Economic and Social Research
OECD:	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
RBOS:	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 ABR+HAYO
General Govt consumption	National accounts table C2, Code NMRY
Gross fixed investment	National accounts table C2, Code NPQT
Change in inventories (2000, £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: ILO unemployment - millions
- 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 - percentage points
- i: growth in hourly earnings
- j: end period
- k: calendar year
- m: Average of UK Brent, Dubai, and West Texas Intermediate crude spot oil prices
- n: compensation of employees/head
- 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: different 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: Compensation of employees (code DTWM)
- 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
- tt: external trade balance

ANNEX 4: Organisation Contact Details

<u>Organisation</u>	<u>Contact</u>	<u>Telephone number</u>
ABN AMRO	James Carrick	020 7678 8199
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CEBR	Jonathan Said	020 7324 2840
Commerzbank	Peter Dixon	020 7653 7271
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Daiwa Institute of Research	Don Egginton	020 7597 8470
Daiwa Securities SMBC	Grant Lewis	020 7597 8336
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Morgan Stanley	Vladimir Pillonca	020 7425 5839
NIESR	Rebecca Riley	020 7222 7665
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Royal Bank of Scotland	Geoffrey Dicks	020 7085 4277
Schroders Investment Management	Richard Batley	020 7658 2011
Standard Chartered Bank	Gavin Redknap	020 7280 6071
UBS	Amit Kara	020 7568 3522
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