

# Forecasts for the UK Economy

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A comparison of independent forecasts

Compiled by the Macroeconomic Prospects Team

June 2006

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



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

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**The next edition will be published on 19th July 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, June 2006**

This edition of the comparison contains 24 new forecasts, all of which were received between the 1st of June and the 14th of June. 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 <sup>+</sup>				Average of new* forecasts
	Averages		June		
	June	May	Lowest	Highest	
GDP growth (per cent)	2.3	2.3	1.6	2.6	2.3
Inflation rate (Q4: per cent)					
- CPI	2.1	2.0	1.5	2.5	2.1
- RPI	2.7	2.5	1.6	3.5	2.8
Claimant unemployment (Q4: mn)	0.99	0.98	0.89	1.10	0.98
Current account (£bn)	-33.0	-32.2	-47.1	-20.0	-34.4
PSNB (2006-07: £bn)	37.7	38.0	34.2	44.0	37.4

Forecasts for 2007	Independent <sup>+</sup>				Average of new* forecasts
	Averages		June		
	June	May	Lowest	Highest	
GDP growth (per cent)	2.5	2.5	-0.1	3.2	2.4
Inflation rate (Q4: per cent)					
- CPI	2.0	1.9	1.4	2.9	2.0
- RPI	2.4	2.4	1.5	3.4	2.5
Claimant unemployment (Q4: mn)	1.03	1.02	0.87	1.40	1.02
Current account (£bn)	-33.9	-33.2	-54.4	-21.0	-35.2
PSNB (2007-08: £bn)	36.8	36.9	29.0	51.0	37.2

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (June: 24 institutions, May: 10 institutions, April: 4 institutions)

\*Calculated from new forecasts received for the comparison this month

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

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

June 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
<b>City Forecasters</b>										
ABN AMRO	Jan	2.2	1.5	2.4	3.2 f	-	-	6.9	6.0	-
Bank of America	Jun *	2.4	2.1	3.6	3.5	2.7	2.7	9.3	9.3	-0.4
Barclays Capital	Jun *	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
Bridgewell	Jun *	2.6	2.8	3.0	3.3	1.9	2.9	6.8	7.1	-0.4
Capital Economics	May	2.2	2.0	3.5	3.0	2.3	2.5	6.0	6.2	-0.3
Citigroup	May	2.3	1.9	4.1	1.7	1.5	2.3	4.6	4.2	0.0
Commerzbank	Jun *	2.3	1.9	3.4	4.0	3.1	2.6	9.5	9.7	-0.4
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	Apr	2.0	1.9	3.2	2.8	-	1.9	5.4	4.6	0.1
Economic Perspectives	Jun *	1.6	1.4	2.6	2.1	1.4	1.7	8.3	7.7	-0.1
Fortis Bank	Dec	2.5	2.1	2.0	5.2	-	2.4	8.1	6.8	0.2
Goldman Sachs	Jun *	2.6	2.0	3.8	3.3	0.1 h	2.7	11.0	10.3	-0.2
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	Jun *	2.2	1.8	3.0	3.2	1.6	2.6	6.0	6.6	-0.4
J P Morgan	Jun *	2.6	2.2	3.7	3.7	4.7	2.9	10.4	10.4	-0.4
Lehman Brothers	Jun *	2.2	1.9	3.2	2.7	1.7	2.2	7.9	7.4	-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	Jun *	2.6	2.4	2.6	2.6	3.3	2.6	9.5	8.5	-
Morgan Stanley	Jun *	2.3	2.1	3.0	3.3	3.0	2.5	10.3	10.0	-0.3
RBS Financial Markets	Jun *	2.3	1.8	3.7	3.7	3.9	2.6	9.5	9.7	-0.3
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
<b>Non-City Forecasters</b>										
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	May	2.6	2.6	2.2	1.8	3.1	2.2	4.7	3.0	-
Experian Business Strategies	Jun *	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	Jun *	2.4	2.0	3.5	3.7	-	2.6	10.3	10.1	-0.2
ITEM Club	May	2.3	2.0	3.2	1.8	0.0	2.2	6.7	5.8	0.0
Liverpool Macro Research	Jun *	2.1	1.9 c	4.6 d	1.2 e	-	-	-	-	-
Moody's Economy.com	Jun *	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	Jun *	2.3	2.0	3.0	3.0	3.6	2.5	9.2	9.0	-0.3
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
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.3	2.1	3.1	3.2	2.4	2.5	7.6	7.4	-0.2
New (marked *)		2.3	2.0	3.2	3.4	2.7	2.5	8.6	8.7	-0.4
City		2.3	2.0	3.2	3.4	2.4	2.5	7.9	7.8	-0.3
<b>Range of Forecasts made in the last 3 months</b>										
Highest		2.6	2.8	4.1	4.8	4.9	3.0	11.0	10.4	0.3
Lowest		1.6	1.4	2.2	1.7	-0.6	1.7	3.2	3.0	-0.7
Median		2.3	2.0	3.0	3.3	2.5	2.5	7.7	7.4	-0.3
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)**

June 2006 Comparison

Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4, %)	Oil price (\$)	M4
<b>City Forecasters</b>									
ABN AMRO	Jan	1.9	-	1.9	4.5 gg	-	4.50	-	-
Bank of America	Jun *	2.0	-	2.6	3.8	-	4.50	65.0	-
Barclays Capital	Jun *	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	Jun *	2.5	3.4	2.9	4.4	100.3	5.00	-	12.1
Capital Economics	May	1.7	1.6	1.8	4.2	96.7	4.00	50.0	11.0
Citigroup	May	2.3	2.9	2.7	4.1	97.7	4.50	67.4	-
Commerzbank	Jun *	2.2	2.8	2.7	4.3	98.5	4.50	64.5	-
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	Apr	1.8	2.3	2.3	4.0	-	4.25	-	-
Economic Perspectives	Jun *	2.4	2.8	2.5	3.8	97.0	4.50	60.0	11.0
Fortis Bank	Dec	1.8	-	-	4.2	-	4.50	60.0	-
Goldman Sachs	Jun *	2.5	-	2.6	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	Jun *	1.9	-	2.3	4.2	-	4.75	68.0	-
J P Morgan	Jun *	1.9	-	-	-	-	4.75	-	-
Lehman Brothers	Jun *	2.1	2.9	2.5	4.1	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	Jun *	2.5	2.9	2.7	4.5	104.2	4.75	64.0	13.0
Morgan Stanley	Jun *	2.3	3.2	2.9	4.5	97.4 j	4.75	72.1	-
RBS Financial Markets	Jun *	2.2	2.8	2.5	4.2	100.8	4.50	68.2	-
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
<b>Non-City Forecasters</b>									
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	4.0	101.0 r	4.50	65.3 ii	-
CEBR	May	1.9	2.1	2.3	3.6	-	4.50	63.5	-
Experian Business Strategies	Jun *	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	Jun *	2.0	2.4	2.3	4.1	-	4.50	66.0	11.8
ITEM Club	May	2.0	2.7	2.6	4.3	100.0	4.50	65.0	10.5
Liverpool Macro Research	Jun *	-	-	1.9	4.1	100.3	4.30	-	-
Moody's Economy.com	Jun *	1.7	1.9	1.5	3.1	-	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	Jun *	2.2	3.0	2.7	4.1	102.9	4.50	66.8	12.0
EC	May	2.0	-	-	4.3 gg	-	-	-	-
OECD	May	2.1 k	-	-	5.1 gg	-	4.50 s	-	-
IMF	Apr	1.9	-	-	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		2.1	2.7	2.4	4.1	99.5	4.55	64.4	11.4
New (marked *)		2.1	2.8	2.5	4.2	99.8	4.60	66.0	11.7
City		2.1	2.7	2.5	4.2	99.3	4.56	64.4	11.3
<b>Range of Forecasts made in the last 3 months</b>									
Highest		2.5	3.5	3.0	4.7	104.2	5.00	72.1	13.0
Lowest		1.5	1.6	1.5	3.1	96.1	4.00	50.0	10.5
Median		2.1	2.8	2.4	4.2	98.8	4.50	65.0	11.0
HM Treasury	Mar	2	-	-	-	-	-	-	-

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

June 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)
<b>City Forecasters</b>								
ABN AMRO	Jan	2.2	-	1.50 a	-	-	-40.1	33.3
Bank of America	Jun *	-	-	-	0.7	7.4	-27.0	39.5
Barclays Capital	Jun *	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	Jun *	2.2	0.9	0.94	1.1	-	-33.3	40.0
Capital Economics	May	2.0	-0.2	1.05	1.0	7.5	-29.0	37.0
Citigroup	May	2.0	0.6	1.05	-0.3	-	-32.7	36.6
Commerzbank	Jun *	1.7	0.5	0.97	0.0	8.0 w	-34.5	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	Apr	-	-	3.10 x	-0.3	-	-25.0	39.0
Economic Perspectives	Jun *	0.5	-0.4	1.10	0.3	8.0	-28.0	44.0
Fortis Bank	Dec	-	-	0.95	-	7.0	-25.0	34.0
Goldman Sachs	Jun *	-	1.0	1.68 a	0.9	-	-38.2	35.5
Hermes	Jun *	-	0.0	1.00	-	-	-30.0	-
HSBC	May	-	-	1.10	0.7	-	-40.0	-
ING Financial Markets	Jun *	-	-	1.04	0.6	-	-30.0	39.0
J P Morgan	Jun *	-	-	-	0.4	-	-41.4	35.0
Lehman Brothers	Jun *	2.7	0.4	1.07	-0.5	-	-46.0	38.0
Lombard Street	May	2.7	0.8	1.03	1.5	-	-28.4	40.0
MacroEcon.com	Jun *	-	-	0.89	-	5.5	-20.0	37.0
Morgan Stanley	Jun *	1.9	0.7	-	0.5	-	-	37.5
RBS Financial Markets	Jun *	1.8	0.7	0.91	0.6	5.7	-34.8	34.2
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
<b>Non-City Forecasters</b>								
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	May	-	-	0.99	0.7	-	-33.2	37.3
Experian Business Strategies	Jun *	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	Jun *	2.6	0.0	0.96	0.8	-	-27.3	38.7
ITEM Club	May	2.2	0.6	1.01	0.4	8.0	-31.1	40.0
Liverpool Macro Research	Jun *	-	-	0.93	-	-	-36.8	35.1 cc
Moody's Economy.com	Jun *	2.7	0.8	1.00	0.1	-	-	-
NIESR	Apr	2.2	0.3	0.97 k	1.0	7.2 w	-34.6	38.1
OEF	Jun *	2.3	0.6	0.95	0.9	8.4	-33.4	35.0
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
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.1	0.5	0.99	0.5	7.9	-33.0	37.7
New (marked *)		2.1	0.5	0.98	0.6	7.9	-34.4	37.4
City		2.0	0.5	1.00	0.5	7.3	-32.4	37.6
<b>Range of Forecasts made in the last 3 months</b>								
Highest		2.7	1.0	1.10	1.5	10.5	-20.0	44.0
Lowest		0.5	-0.4	0.89	-0.5	5.5	-47.1	34.2
Median		2.2	0.5	0.99	0.6	8.0	-32.9	37.5
HM Treasury	Mar	2½ to 2¾	-	-	½ to 1	7¼ w	-32¾	36

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

June 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
<b>City Forecasters</b>										
ABN AMRO	Jan	2.1	1.6	2.2	2.9 f	-	-	6.2	5.3	-
Bank of America	Jun *	2.3	2.1	1.9	3.1	3.0	2.3	3.7	3.1	0.0
Barclays Capital	Jun *	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
Bridgewater	Jun *	2.6	2.9	2.0	3.5	2.5	2.8	4.3	4.7	-0.3
Capital Economics	May	2.5	2.5	2.2	2.5	2.6	2.5	2.5	2.4	0.0
Citigroup	May	2.5	2.6	2.8	4.4	0.8	2.9	4.7	5.6	-0.4
Commerzbank	Jun *	2.5	2.1	2.3	3.9	2.0	2.3	4.2	3.5	0.1
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	Apr	1.9	1.8	2.0	2.7	-	1.9	3.4	3.8	0.0
Economic Perspectives	Jun *	-0.1	0.1	1.0	-3.0	0.0	-0.3	-0.3	-1.0	0.3
Fortis Bank	Dec	-	-	-	-	-	-	-	-	-
Goldman Sachs	Jun *	2.5	2.2	2.8	1.7	0.0 h	2.1	4.5	3.2	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	Jun *	2.0	1.9	1.8	3.3	1.3	2.1	6.6	6.5	-0.1
J P Morgan	Jun *	2.9	2.3	2.6	4.0	3.4	2.5	7.0	5.3	0.3
Lehman Brothers	Jun *	2.4	1.4	2.4	3.5	1.9	2.0	4.1	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	Jun *	2.7	3.2	2.2	2.8	3.3	3.1	8.0	7.5	-
Morgan Stanley	Jun *	2.6	2.1	2.4	2.9	5.7	2.5	4.3	3.7	0.0
RBS Financial Markets	Jun *	2.6	2.5	3.3	3.3	4.0	2.7	4.1	4.1	-0.1
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
<b>Non-City Forecasters</b>										
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	May	2.5	2.4	2.0	2.4	4.5	2.2	4.5	3.1	-
Experian Business Strategies	Jun *	2.7	2.3	1.3	2.1	4.7	2.2	4.9	3.1	0.4
EIU	Jan	-	-	-	-	-	-	-	-	-
Global Insight	Jun *	2.6	2.3	2.2	3.5	-	2.8	5.1	5.3	-0.2
ITEM Club	May	2.6	2.3	2.3	3.6	0.0	2.5	7.0	6.3	-0.1
Liverpool Macro Research	Jun *	2.4	2.2 c	4.7 d	2.4 e	-	-	-	-	-
Moody's Economy.com	Jun *	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	Jun *	2.8	2.7	2.4	3.8	3.4	2.8	5.4	5.2	-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
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.5	2.3	2.2	3.3	2.6	2.4	4.6	4.2	0.0
New (marked *)		2.4	2.2	2.2	3.1	2.9	2.4	4.6	4.1	0.0
City		2.4	2.2	2.2	3.2	2.6	2.4	4.3	4.0	0.0
<b>Range of Forecasts made in the last 3 months</b>										
Highest		3.2	3.2	3.3	5.5	5.7	3.1	8.0	7.5	0.4
Lowest		-0.1	0.1	1.0	-3.0	0.0	-0.3	-0.3	-1.0	-0.5
Median		2.5	2.3	2.3	3.5	2.6	2.5	4.7	4.2	0.0
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)

June 2006 Comparison

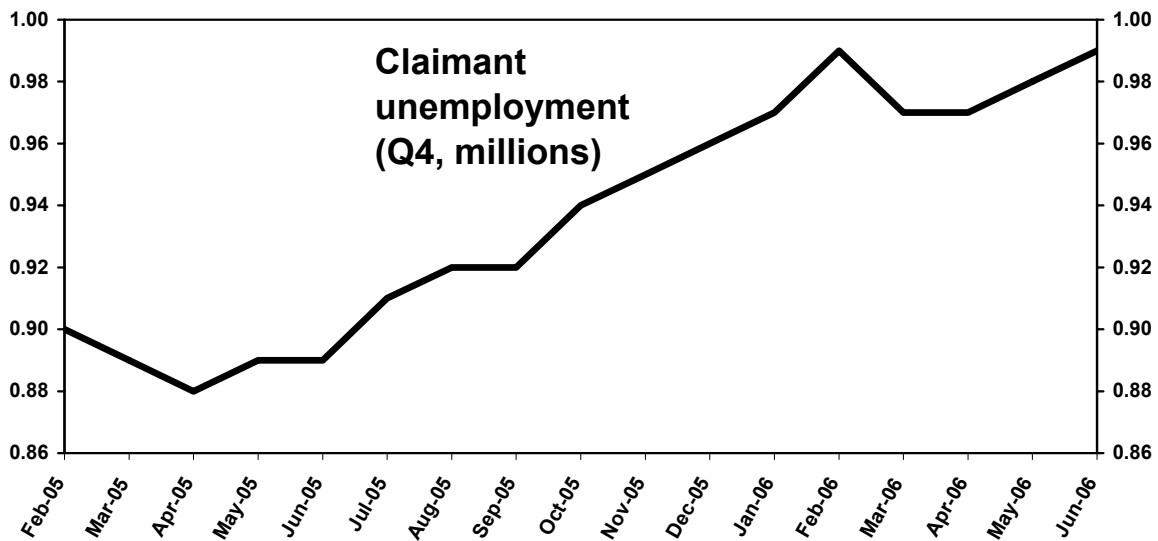
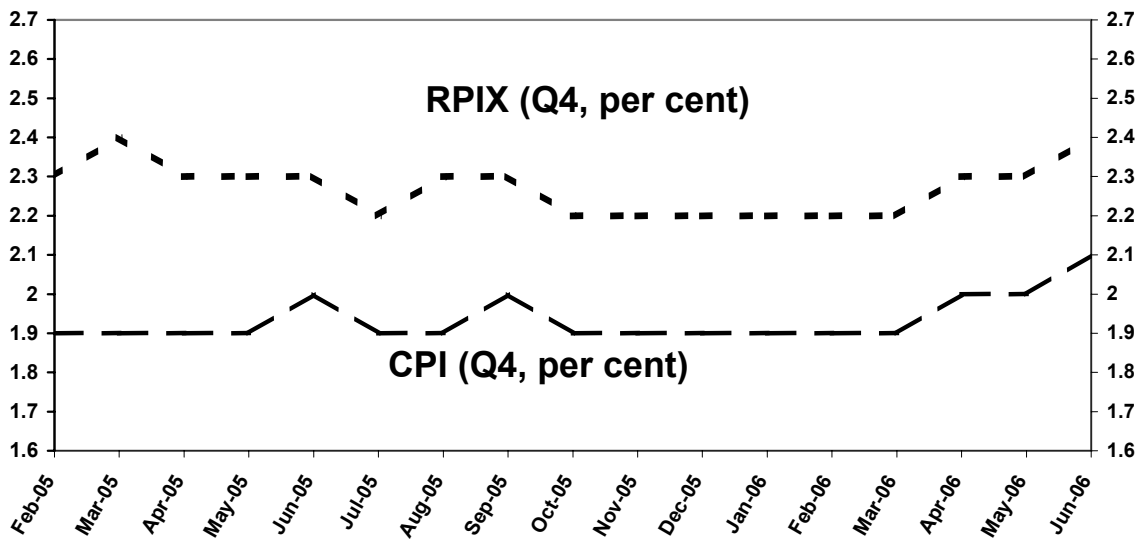
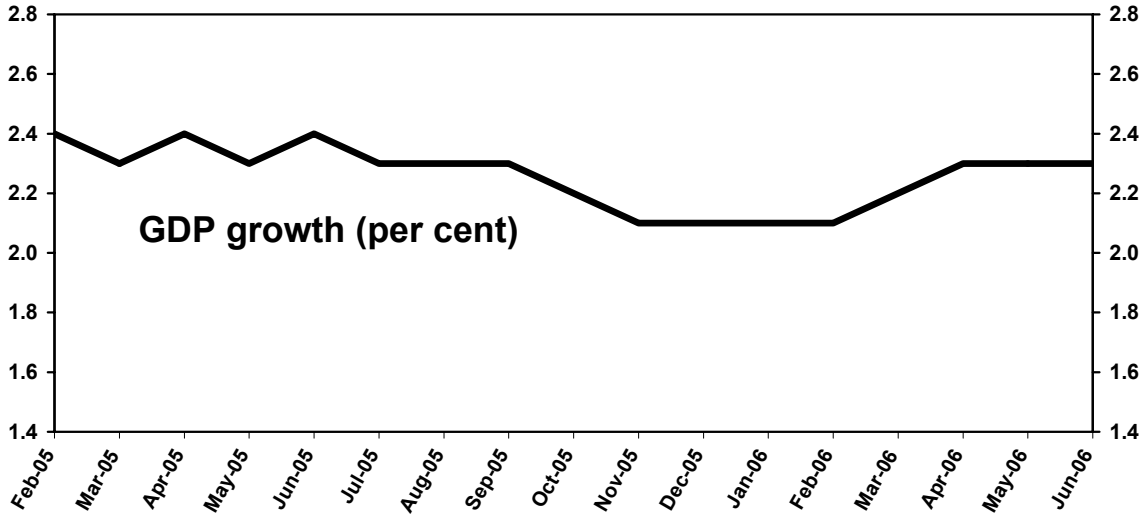
Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>									
ABN AMRO	Jan	1.9	-	1.8	4.2 gg	-	4.50	-	-
Bank of America	Jun *	1.7	-	2.0	3.7	-	4.50	62.0	-
Barclays Capital	Jun *	1.9	2.3	2.2	4.6	97.7	4.75	-	-
BNP Paribas	Apr	2.1	2.8	2.3	4.1	-	4.75	-	-
Bridgewell	Jun *	2.6	3.4	2.9	4.0	98.7	5.50	-	8.9
Capital Economics	May	1.7	2.0	1.9	4.0	96.5	4.00	45.0	8.0
Citigroup	May	1.4	1.7	1.8	4.0	97.1	4.00	68.9	-
Commerzbank	Jun *	2.1	2.6	2.5	4.1	97.3	5.00	57.5	-
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	Apr	1.7	2.2	2.1	4.2	-	4.00	-	-
Economic Perspectives	Jun *	2.5	2.6	2.6	3.5	92.0	4.00	65.0	7.0
Fortis Bank	Dec	-	-	-	-	-	-	-	-
Goldman Sachs	Jun *	1.9	-	2.1	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	Jun *	1.9	-	2.4	4.2	-	4.50	60.0	-
J P Morgan	Jun *	2.0	-	-	-	-	5.00	-	-
Lehman Brothers	Jun *	1.6	1.7	1.8	3.2	94.0	4.00	-	-
Lombard Street	May	1.8	2.0	2.2	2.8	101.5	3.75	40.0	7.3
MacroEcon.com	Jun *	2.9	3.3	3.2	4.6	104.0	5.00	61.0	14.0
Morgan Stanley	Jun *	1.9	2.7	2.1	4.3	93.2 j	5.00	68.5	-
RBS Financial Markets	Jun *	1.8	2.6	2.3	4.1	99.4	4.50	70.0	-
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
<b>Non-City Forecasters</b>									
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	3.7	101.0 r	4.50	63.5 ii	-
CEBR	May	1.8	1.8	2.0	3.7	-	4.00	56.8	-
Experian Business Strategies	Jun *	1.9	2.3	2.4	3.9	95.7	4.00	54.5	-
EIU	Jan	-	-	-	-	-	-	-	-
Global Insight	Jun *	1.9	2.6	2.2	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	Jun *	-	-	1.9	4.0	101.0	4.40	-	-
Moody's Economy.com	Jun *	1.8	1.5	1.2	3.0	-	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	Jun *	1.8	2.4	2.3	4.2	102.2	4.50	63.4	9.4
EC	May	2.0	-	-	4.4 gg	-	-	-	-
OECD	May	1.7 k	-	-	5.5 gg	-	4.60 s	-	-
IMF	Apr	2.0	-	-	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		2.0	2.4	2.2	4.0	97.9	4.53	60.6	9.0
New (marked *)		2.0	2.5	2.3	4.1	98.0	4.65	63.3	9.5
City		2.0	2.4	2.3	4.1	97.7	4.55	61.8	8.9
<b>Range of Forecasts made in the last 3 months</b>									
Highest		2.9	3.4	3.2	4.7	104.0	5.70	75.0	14.0
Lowest		1.4	1.5	1.2	2.8	92.0	3.75	40.0	6.8
Median		1.9	2.4	2.2	4.1	97.5	4.50	62.7	8.1
HM Treasury	Mar	2	-	-	-	-	-	-	-

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

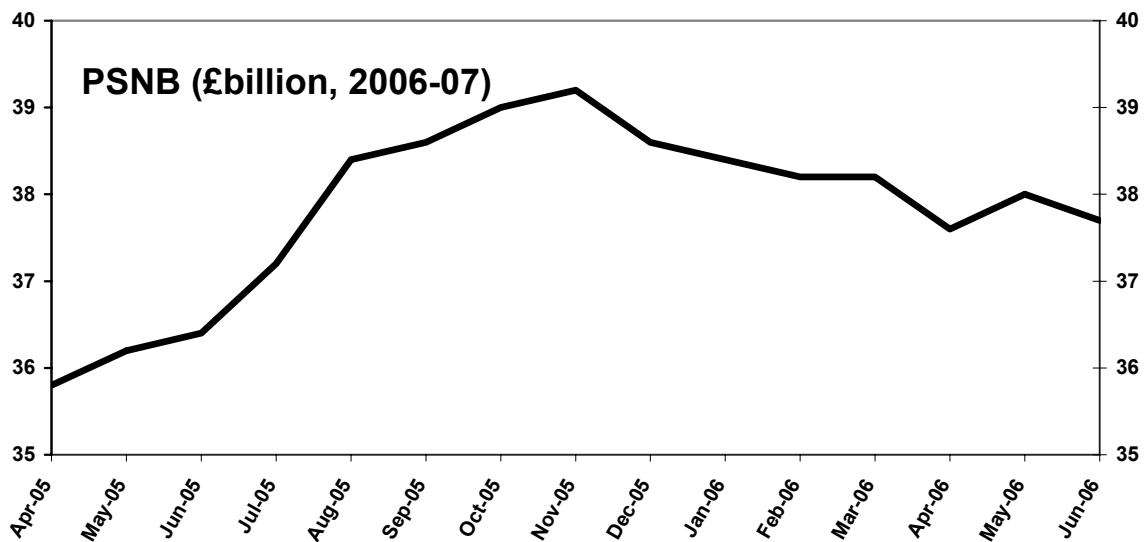
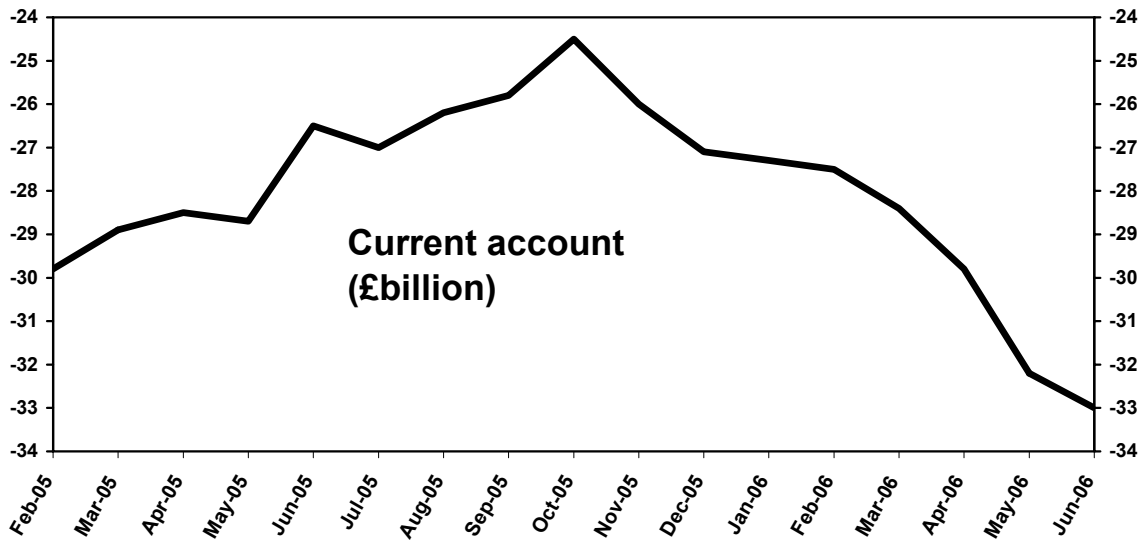
June 2006 Comparison

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)
<b>City Forecasters</b>								
ABN AMRO	Jan	2.1	-	1.53 a	-	-	-41.4	28.7
Bank of America	Jun *	-	-	-	1.7	7.0	-21.0	40.1
Barclays Capital	Jun *	2.6	0.9	0.98	3.7	-	-38.8	35.2 cc
BNP Paribas	Apr	-	1.0	-	1.2	-	-23.9	35.0
Bridgwell	Jun *	2.6	1.0	0.93	2.5	-	-38.3	40.6
Capital Economics	May	2.6	0.3	1.03	1.5	7.0	-21.0	29.0
Citigroup	May	2.5	0.9	1.05	0.8	-	-37.7	38.6
Commerzbank	Jun *	1.9	0.7	0.91	1.2	6.1 w	-37.7	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	Apr	-	-	3.20 x	-0.1	-	-25.0	38.0
Economic Perspectives	Jun *	-0.5	-1.3	1.40	1.0	3.0	-24.0	51.0
Fortis Bank	Dec	-	-	-	-	-	-	-
Goldman Sachs	Jun *	-	0.9	1.73 a	1.6	-	-37.6	33.7
Hermes	Jun *	-	0.0	1.10	-	-	-25.0	-
HSBC	May	-	-	1.20	2.1	-	-37.0	-
ING Financial Markets	Jun *	-	-	1.15	1.6	-	-29.0	38.0
J P Morgan	Jun *	-	-	-	1.9	-	-42.5	32.0
Lehman Brothers	Jun *	1.9	0.5	1.11	0.0	-	-48.9	42.0
Lombard Street	May	2.2	0.5	1.15	0.5	-	-41.9	37.0
MacroEcon.com	Jun *	-	-	0.87	-	6.0	-22.0	35.0
Morgan Stanley	Jun *	2.0	0.7	-	0.7	-	-	33.8
RBS Financial Markets	Jun *	3.2	0.7	0.89	1.8	5.2	-33.7	35.0
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
<b>Non-City Forecasters</b>								
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	May	-	-	1.05	1.0	-	-33.5	34.4
Experian Business Strategies	Jun *	2.2	0.3	1.02	2.8	8.6	-54.4	35.9
EIU	Jan	-	-	-	-	-	-	-
Global Insight	Jun *	2.6	0.4	0.94	1.8	-	-28.3	35.6
ITEM Club	May	2.8	0.8	1.05	1.6	7.0	-29.6	41.0
Liverpool Macro Research	Jun *	-	-	1.10	-	-	-43.8	35.9 cc
Moody's Economy.com	Jun *	3.5	0.4	1.10	1.2	-	-	-
NIESR	Apr	2.5	0.5	0.99 k	2.5	5.7 w	-39.6	34.4
OEF	Jun *	2.9	0.7	0.93	1.2	6.4	-33.6	34.9
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
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.4	0.6	1.03	1.4	6.6	-33.9	36.8
New (marked *)		2.3	0.6	1.02	1.5	6.5	-35.2	37.2
City		2.2	0.5	1.04	1.3	6.1	-33.1	37.1
<b>Range of Forecasts made in the last 3 months</b>								
Highest		3.5	1.1	1.40	3.7	8.6	-21.0	51.0
Lowest		-0.5	-1.3	0.87	-0.1	3.0	-54.4	29.0
Median		2.6	0.7	1.02	1.3	7.0	-33.7	35.3
HM Treasury	Mar	2 to 2½	-	-	1¼ to 2¼	7 w	-36½	30

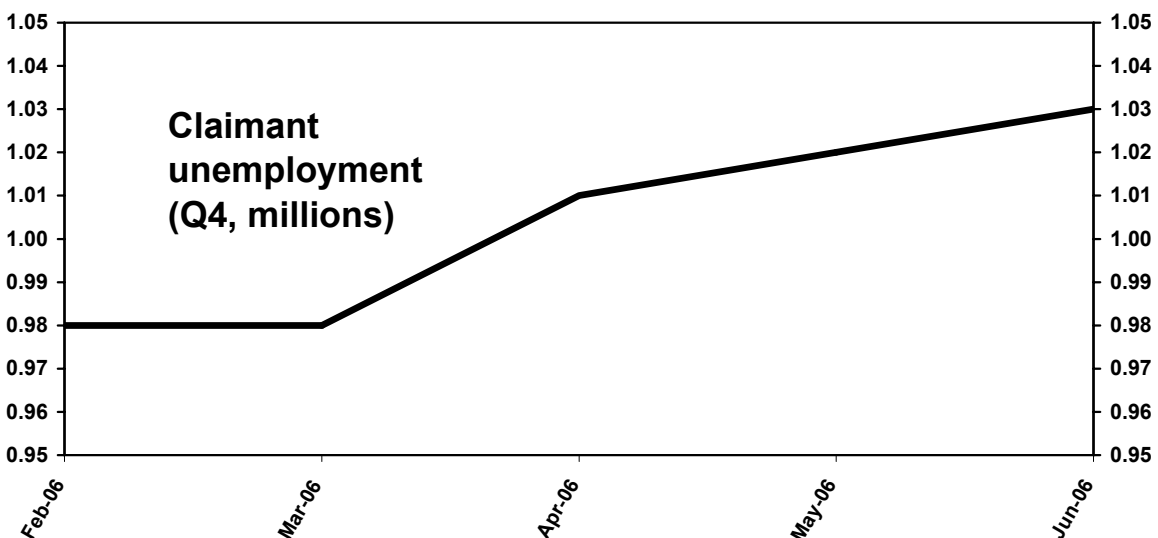
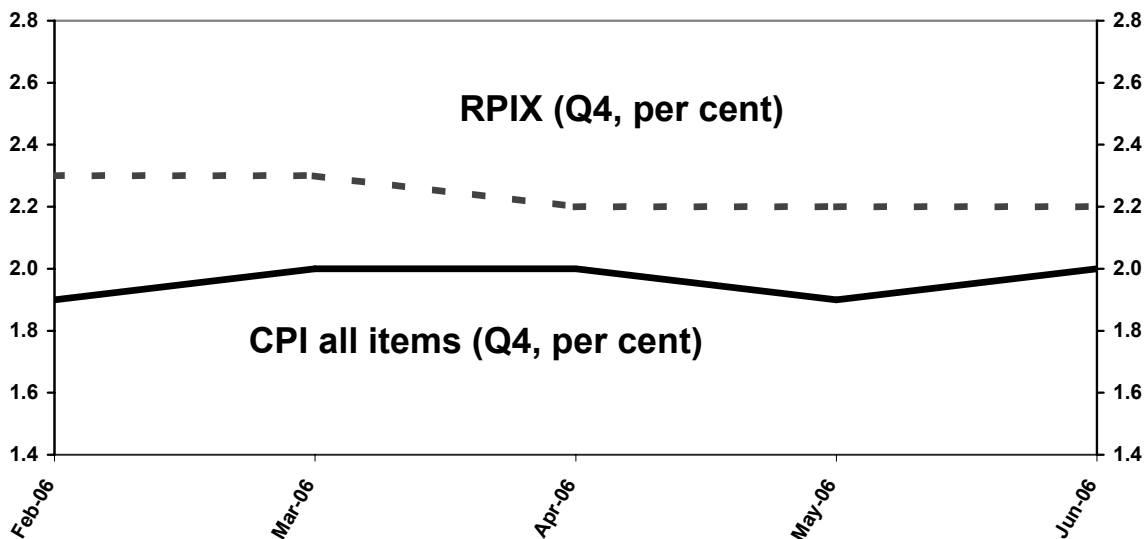
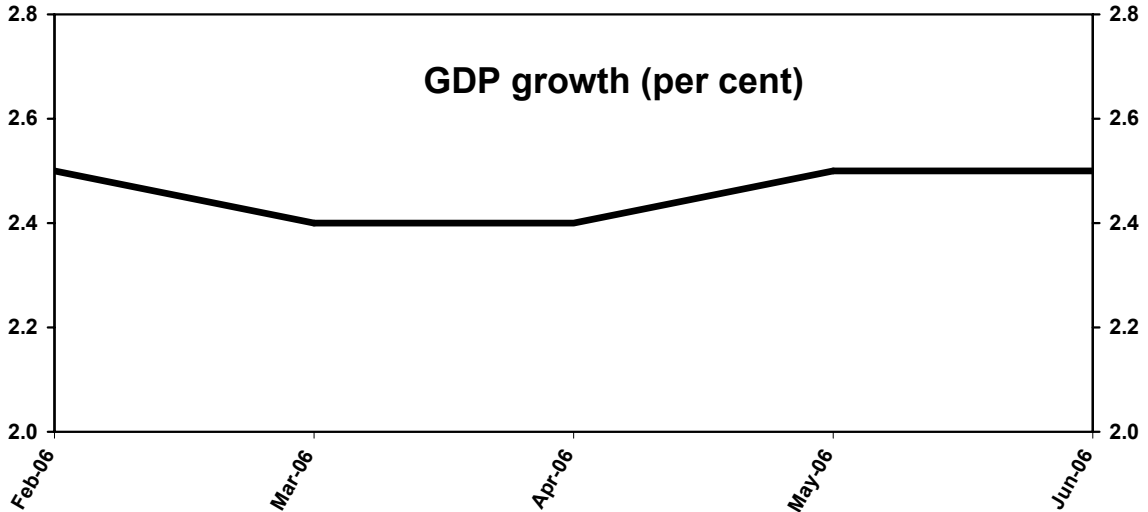
## Average of independent forecasts for 2006; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



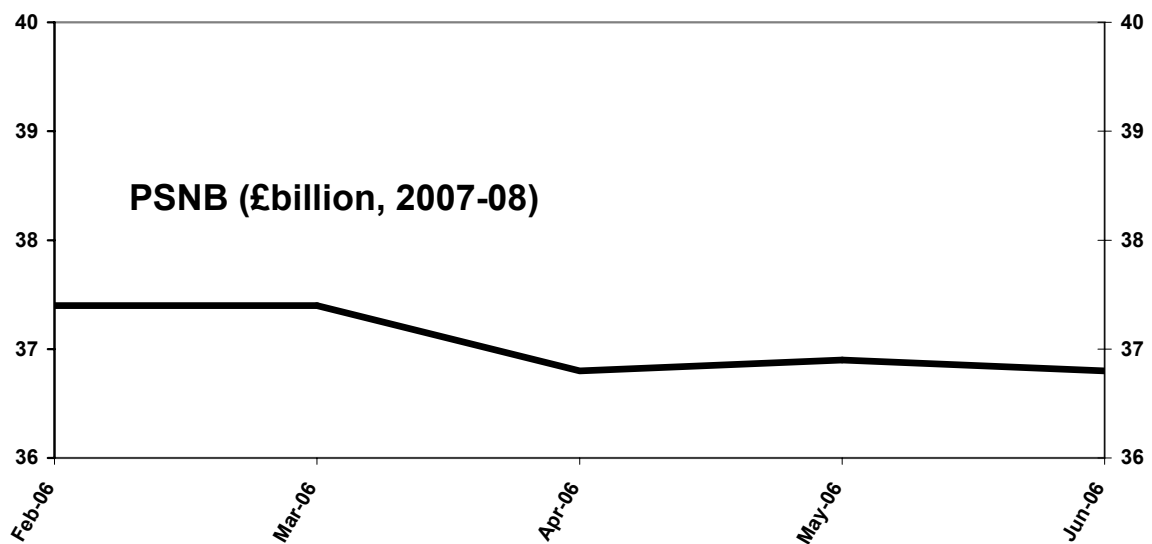
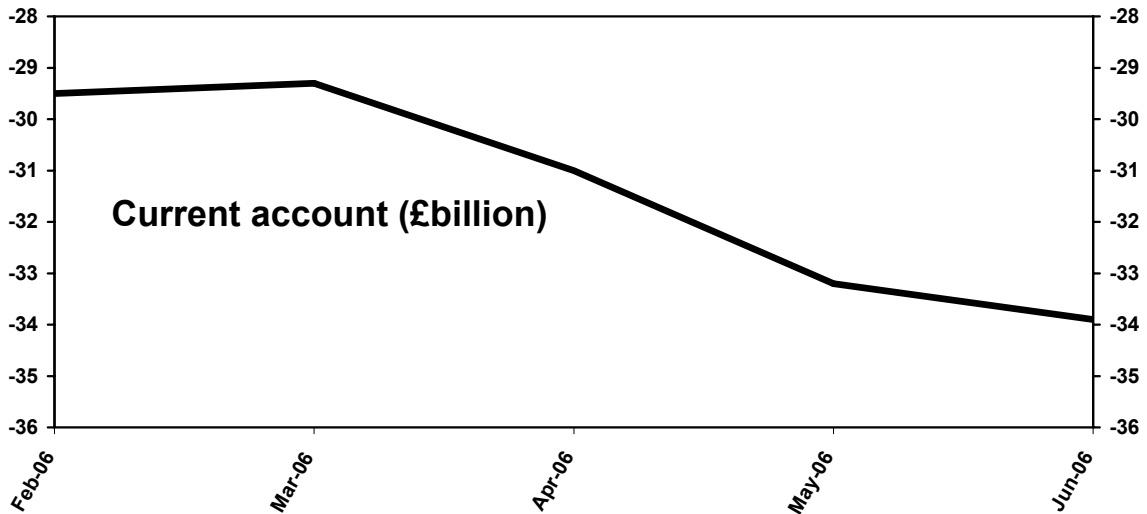
## Average of independent forecasts for 2006; Current account and PSNB (2006-07, £billion)



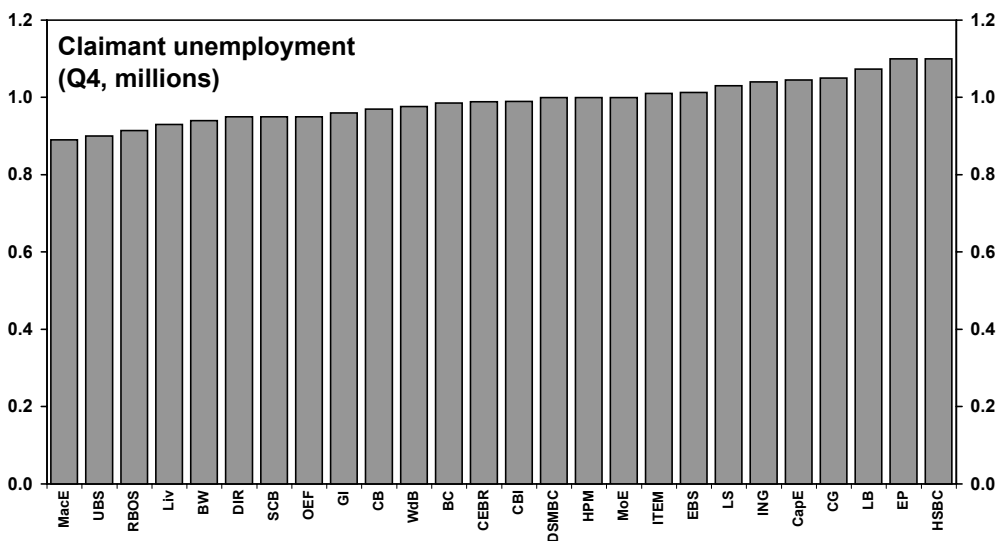
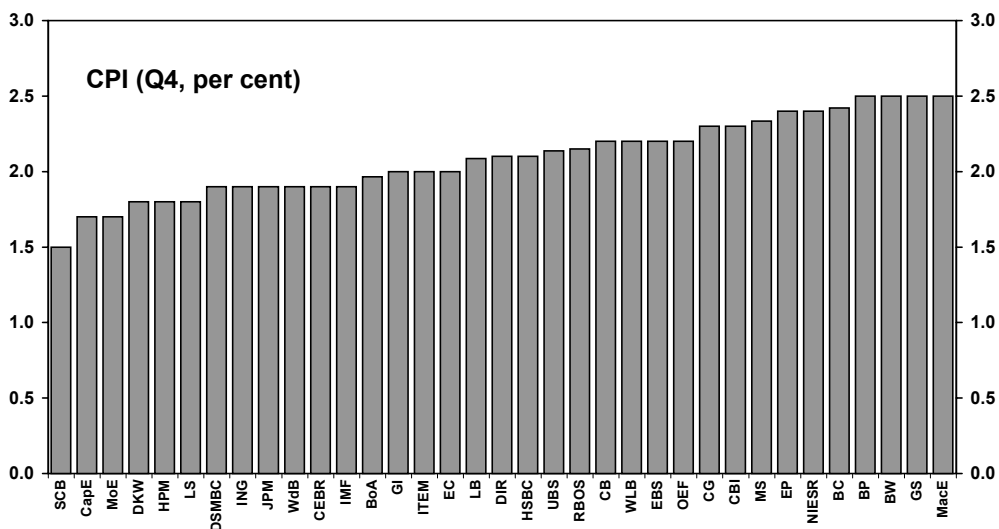
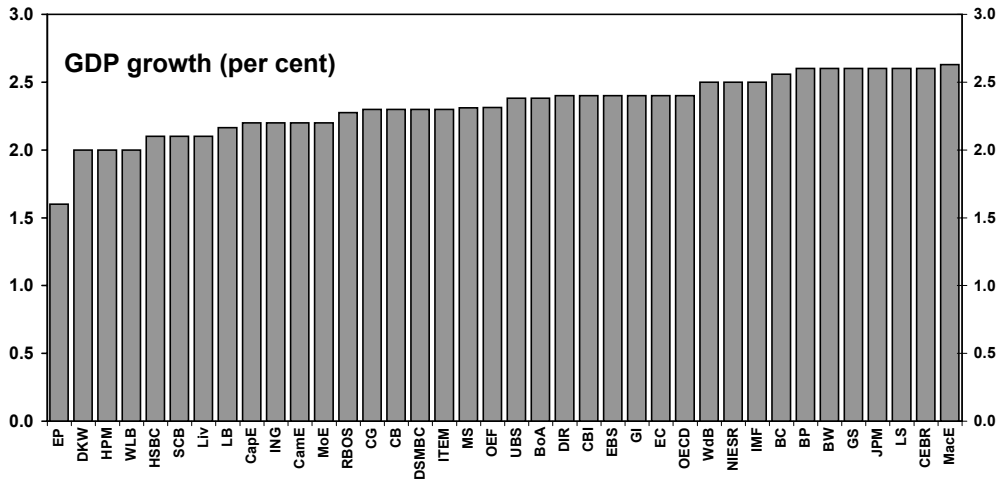
## Average of independent forecasts for 2007; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



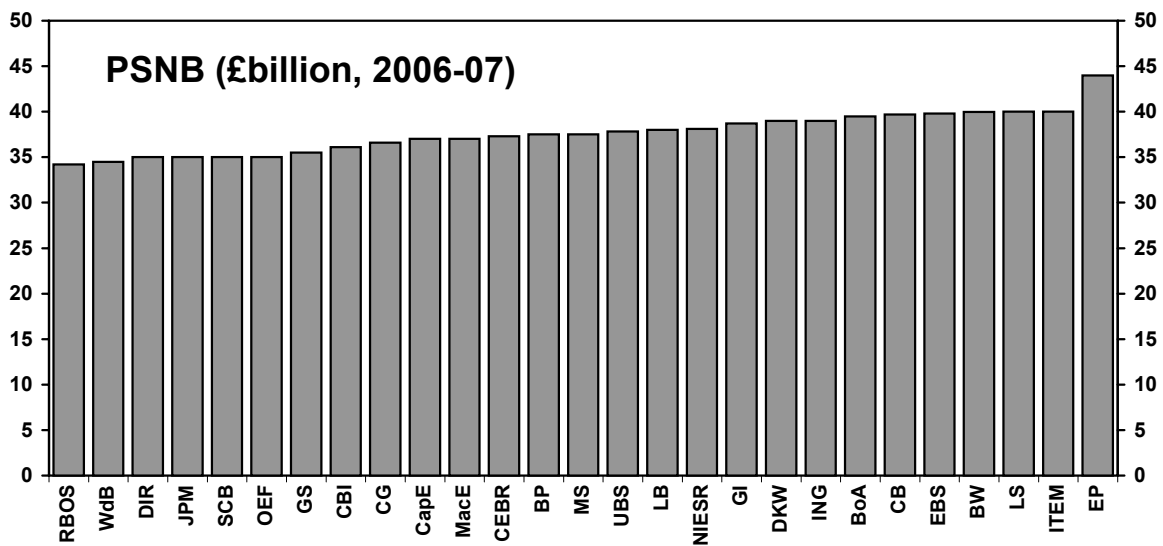
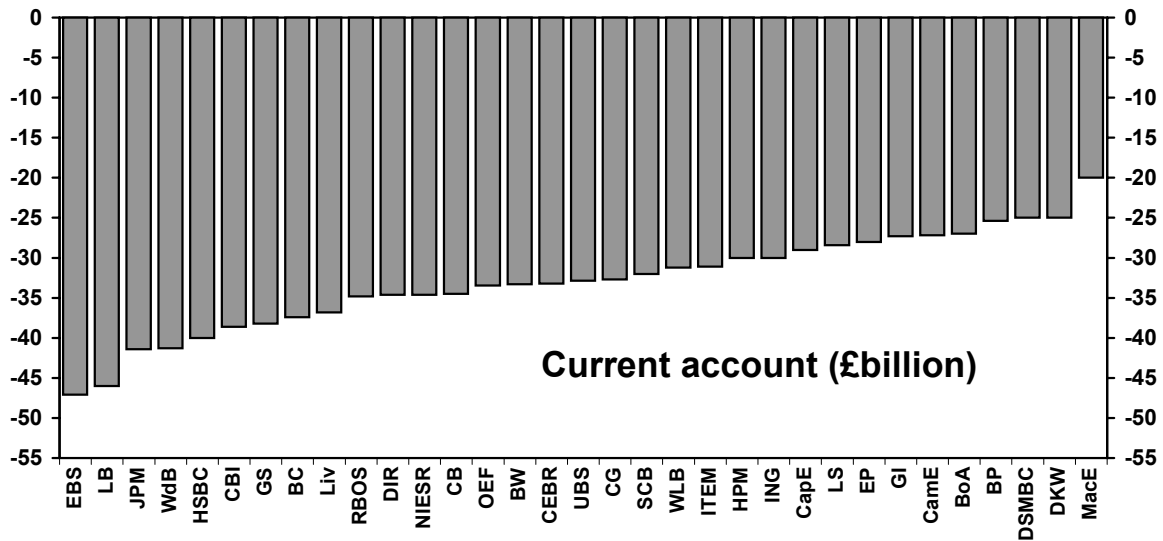
## Average of independent forecasts for 2007; Current account and PSNB (2007-08, £billion)



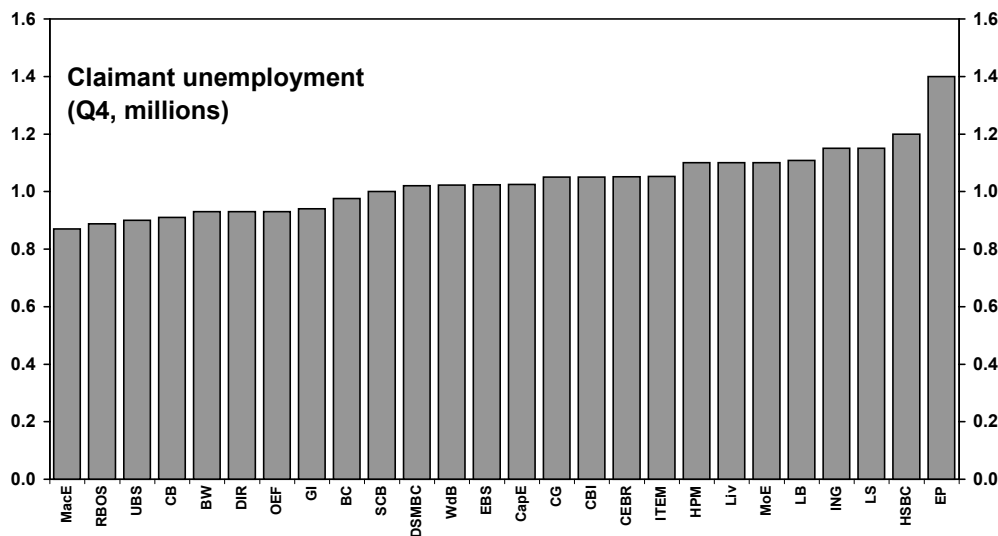
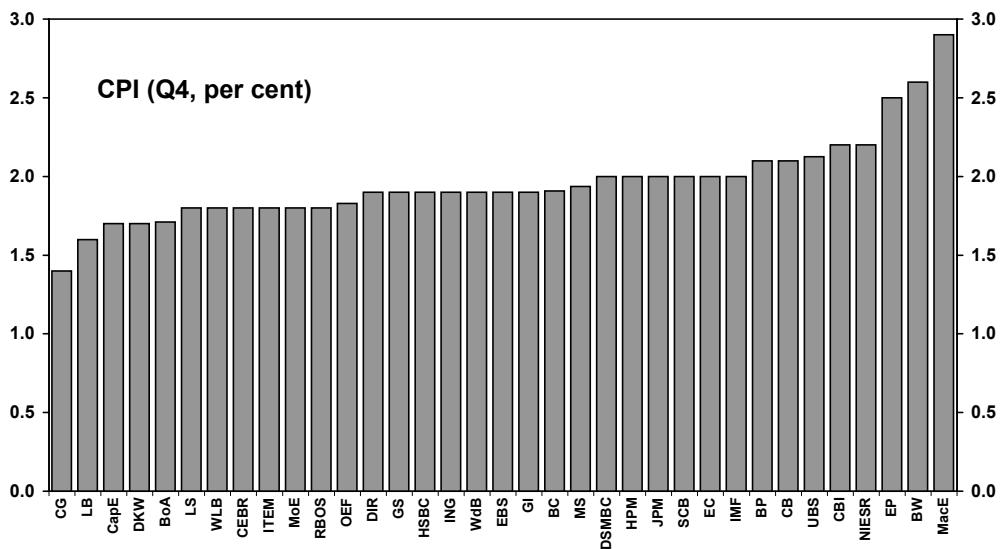
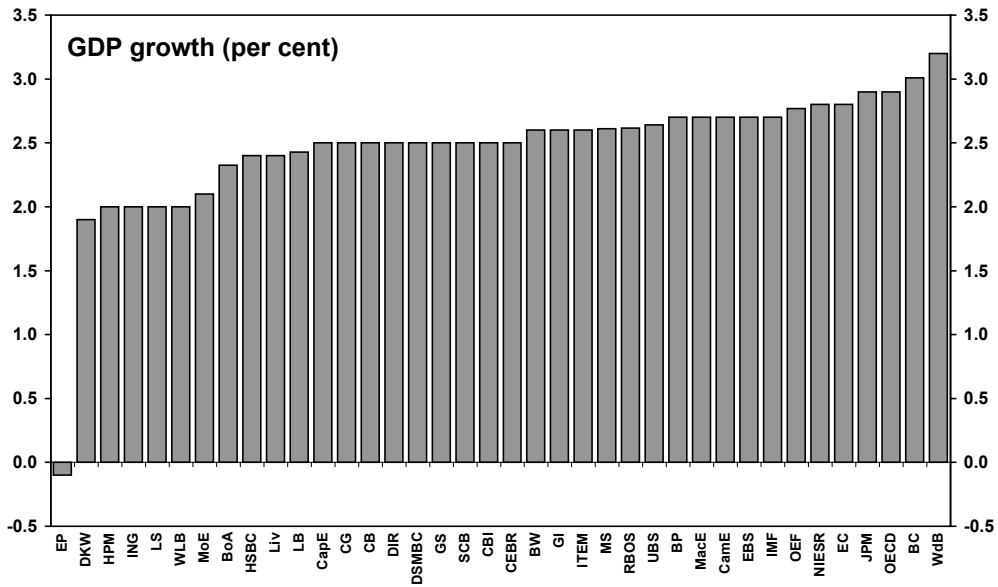
## Range of Forecasts for 2006; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



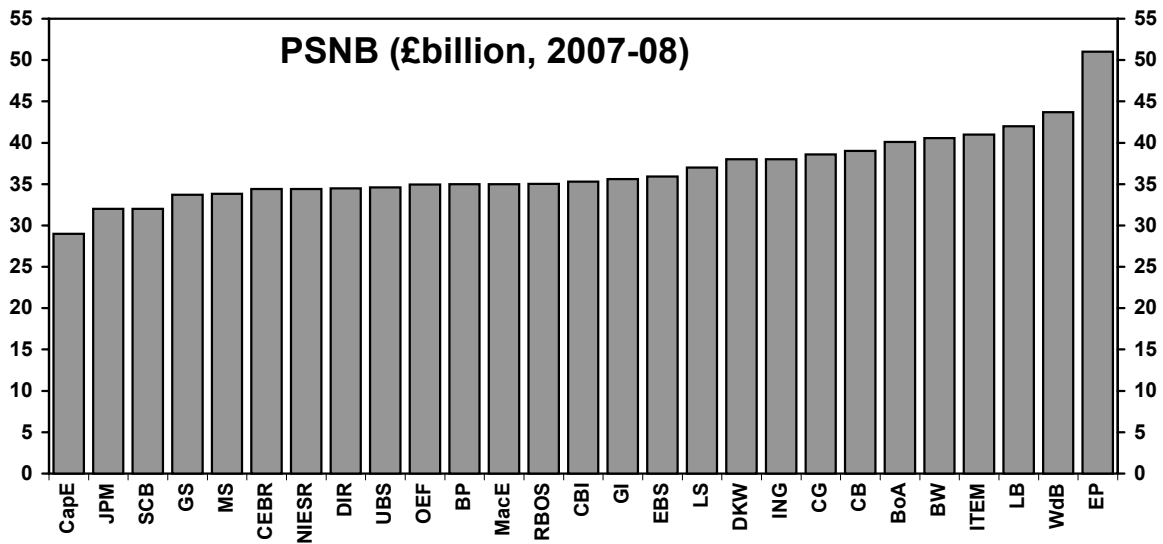
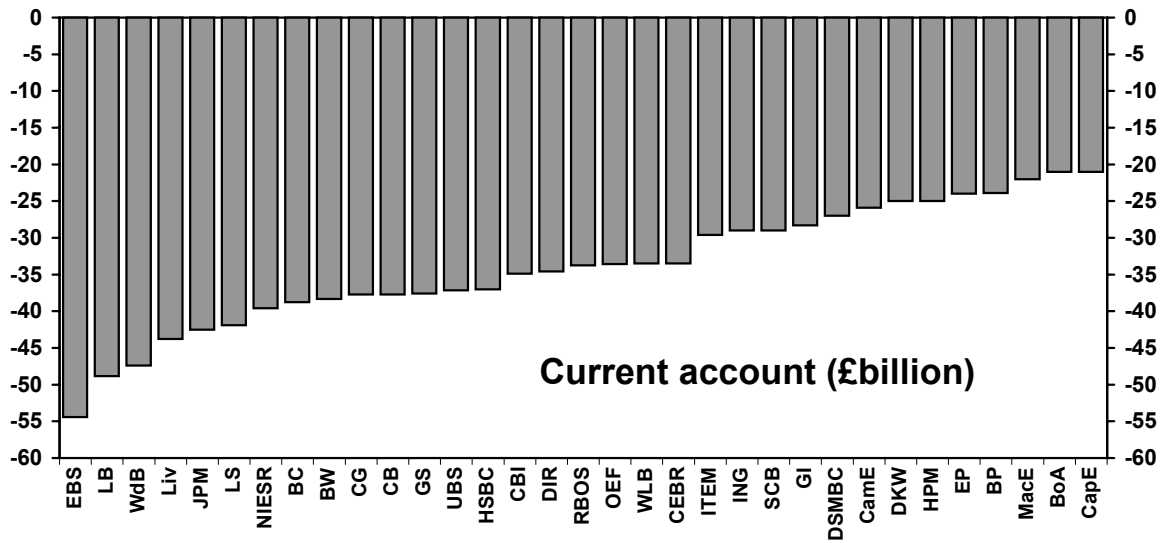
## Range of Forecasts for 2006; Current Account (£bn) and PSNB (2006-07, £bn) made in last 3 months



## 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 ABRJ+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: various definitions; refer to forecasters for details
- s: 3 month interbank rate
- u: general government current and capital expenditure plus stockbuilding
- v: average of spot price of Brent crude and Dubai light crude
- w: world trade in goods and services
- x: claimant unemployment rate
- z: OECD real imports of goods and services
- aa: ILO unemployment rate
- bb: households only
- cc: PSNCR (Formerly PSBR)
- dd: harmonized index of consumer prices (HICP)
- ee: general government financial balance
- ff: gross disposable income deflated by implicit price of private consumption
- gg: 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

#### ANNEX 4: Organisation Contact Details

<u>Organisation</u>	<u>Contact</u>	<u>Telephone number</u>
ABN AMRO	James Carrick	020 7678 8199
Bank of America	Matthew Sharratt	020 7174 1633
Barclays Capital	George Johns	020 7773 4308
BNP Paribas	Alan Clarke	020 7595 8476
Bridgewater	Richard Jeffrey	020 7003 3500
Cambridge Econometrics	Rachel Beaven	01223 460 760
Capital Economics Ltd	Jonathan Loynes	020 7808 4983
Citigroup	Michael Saunders	020 7986 9297
CBI	Lai Wah Co	020 7395 8101
CEBR	Jonathan Said	020 7324 2840
Commerzbank	Peter Dixon	020 7653 7271
Credit Suisse First Boston	Neville Hill	020 7888 1334
Daiwa Institute of Research	Don Egginton	020 7597 8470
Daiwa Securities SMBC	Grant Lewis	020 7597 8336
Deutsche Bank	George Buckley	020 7545 1372
Dresdner Kleinwort Wasserstein	Marchel Alexandrovich	020 7475 2472
Experian Business Strategies (previously BSL)	Neil Blake	020 7355 8233
EC	John Sheehy	0032 2 299 33 99
EIU	Phillip Whyte	020 7830 1287
Economic Perspectives	Peter Warburton	01582 696 999
Fortis Bank	Nick Kounis	0031 20535 7106
Global Insight (previously DRI-WEFA)	Howard Archer	020 8544 7893
Goldman Sachs	Ann Terry	020 7774 1166
Hermes Pensions Management Ltd	Yasushi Okuda	020 7680 2395
HSBC	John Butler	020 7991 6718
ING Financial Markets	James Knightley	020 7767 6614
ITEM club	Peter Spencer	01904 433771
J P Morgan	Malcolm Barr	020 7777 1080
Lehman Brothers	Alan Castle	020 7102 7745
Liverpool Macro Research	David Meenagh	029 2087 5198
Lombard St Research Ltd	Michael Taylor	020 7382 5930
MacroEcon.com	Mark Nielson	646 621 6828 (USA)
Moody's Economy.com (previously Economy.com)	Paul Guest	020 8785 5616
Morgan Stanley	Melanie Baker	020 7425 8607
Morgan Stanley	Vladimir Pillonca	020 7425 5839
NIESR	Rebecca Riley	020 7222 7665
Oxford Economic Forecasting	Adrian Cooper	01865 268 900
Royal Bank of Scotland	Geoffrey Dicks	020 7085 4277
Schroders Investment Management	Richard Batley	020 7658 2011
Standard Chartered Bank	Gavin Redknapp	020 7280 6071
UBS	Amit Kara	020 7568 3522
WestLB AG	Alexander Krueger	0049 211 8267 1749
Williams de Broë	David Smith	020 7898 2402