

HM Treasury

FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts

---

---

Compiled by  
Economic Assessment Team

No. 146  
June 1999

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.

Payment of the subscription fee of £75, made out to " HM Treasury Votes Cash Account", should be sent with your order to Miss C T Coast-Smith, Public Enquiry Unit, HM Treasury, Room 110/2, Parliament Street, London, SW1P 3AG (Tel: 0171 270 4558), to whom subscription enquiries should also be addressed. A proforma invoice can be sent if requested.

Please direct enquiries on the contents of this issue to David Fairbrother (0171 270 5207).

The next edition will be published on 14 July 1999. It will also be made available at the Treasury's internet site: <http://www.hm-treasury.gov.uk>.

# FORECASTS FOR THE UK ECONOMY

## A comparison of independent forecasts, June 1999

This edition of the comparison contains 29 new forecasts. The tables below summarise the average and range of independent forecasts for 1999 and 2000 and show the average of this month's new forecasts.

### Forecasts for 1999

	Independent <sup>+</sup>				Average of new* forecasts
	Averages		June range		
	June	May	Lowest	Highest	
GDP growth (per cent)	0.8	0.9	-0.2	1.8	0.8
Inflation rate (Q4: per cent)					
- RPI	1.2	1.2	0.7	2.2	1.2
- RPI exc MIPs	2.2	2.2	1.7	2.9	2.3
Claimant unemployment (Q4: mn)	1.43	1.46	1.20	1.60	1.43
Current account (£bn)	-8.2	-6.5	-14.9	0.6	-8.8
PSNB** (1999-00: £bn)	3.4	3.3	-5.6	9.2	3.6

### Forecasts for 2000

	Independent <sup>+</sup>				Average of new* forecasts
	Averages		June range		
	June	May	Lowest	Highest	
GDP growth (per cent)	2.1	2.0	0.6	3.1	2.0
Inflation rate (Q4: per cent)					
- RPI	2.6	2.4	1.4	3.8	2.7
- RPI exc MIPs	2.4	2.3	1.7	3.0	2.3
Claimant unemployment (Q4: mn)	1.50	1.53	1.10	1.84	1.51
Current account (£bn)	-10.7	-9.1	-26.6	-2.1	-11.2
PSNB** (2000-01 : £bn)	7.2	7.8	2.9	15.0	7.7

<sup>+</sup>Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (June 27 Institution, May 4 Institutions, April 7 Institutions, March 6 Institutions ).

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

\*\*PSNB: Public Sector Net Borrowing.

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

1999

June 1999

Table 1

## GDP &amp; its components, at constant prices

## Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts	GDP	Private	Government	Fixed	Change in	Domestic	Exports	Imports	
		Consumption	expenditure	investment	Inventories(£bn)	demand	(goods & services)		
<b>City forecasters</b>									
Abn Amro	Mar	0.8	1.9	2.4	2.5	1.3	1.8	0.6	3.9
Barclays Bank	Jun*	0.5	1.8	3.1	1.8	0.2	1.4	0.0	3.6
Barclays Capital	Jun*	0.8	2.3	3.1	3.9	2.1	2.5	-2.1	3.4
Charterhouse	Jun*	1.8	2.8	1.6	4.2	4.0	2.8	1.0	4.1
Chase Manhattan	Jun*	0.8	2.4	3.5	2.2	0.9	2.3	-1.7	3.2
Credit Lyonnais	Jun*	0.7	2.2	2.3	2.8	0.9	2.0	0.8	4.7
Credit Suisse First Boston	Jun*	0.8	2.3	3.2	1.3	1.5	2.0	0.5	4.3
Daiwa Institute of Research	Jun*	0.6	2.3	3.3	1.6	-6.2	1.5	0.2	3.4
Deutsche Bank	Jun*	0.7	2.2	2.5	2.2	2.6	2.1	-0.7	3.9
Dresdner Kleinwort Benson	Mar	1.1	2.0	2.7	1.9	1.0	1.7	0.6	2.8
Economic Perspectives	Jun*	-0.2	2.2	2.6	1.5	2.0	1.8	-3.0	3.7
Goldman Sachs	Jun*	0.7	2.7	2.9	0.8	-0.2	2.0	-0.5	3.5
Greenwich Natwest	Jun*	1.1	2.6	2.9	2.2	2.1	2.3	-0.5	3.9
Hermes	May	1.2	2.2	2.8	3.6	2.5	2.4	0.8	4.8
HSBC Econ & Strategy	Jun*	1.0	2.0	1.5	4.0	2.1	2.0	0.5	4.0
J P Morgan	Jun*	0.9	2.1	2.0	2.5	1.1	1.8	0.0	2.0
Lehman Brothers	Jun*	0.5	2.4	3.0	1.0	1.5	2.0	-1.7	3.1
Lombard St	Jun*	1.3	2.1	2.4	2.3	2.2	1.9	1.4	3.3
Merrill Lynch	Jun*	1.2	2.2	2.7	2.7	-	-	1.2	4.0
Morgan Stanley	Jun*	0.7	2.3	2.4	1.7	0.8	1.7	0.4	3.7
Natwest Group	Jun*	0.7	2.6	2.9	2.5	1.9	2.3	-1.3	4.0
Norwich Union IM	Feb	0.9	1.4	2.5	1.0	1.8	1.3	-1.4	0.1
Salomon S Barney /Citibank	Jun*	0.8	2.3	3.2	3.5	2.1	2.4	-0.7	4.7
Schroders	Jun*	1.0	2.9	2.9	2.7	2.6	2.6	-0.9	3.8
S.G.	Jun*	0.6	2.2	2.6	3.1	3.0	2.3	-0.9	4.3
Warburg Dillon Read	May	1.0	1.7	3.0	4.2	-	1.9	0.9	3.6
WestLB Panmure	Jun*	1.1	2.3	2.2	3.0	3.1	2.3	0.3	4.4
Williams de Broe	Jun*	1.1	2.5	3.4	-0.2	0.7	1.8	0.3	2.7

**Non-City forecasters**

BSL	Jun*	1.0	2.1	3.0	1.5	2.0	1.9	0.6	4.0
Cambridge Econ	Jun*	0.7	1.5	2.0	2.9	3.0	1.7	0.0	3.1
CBI	May*	0.8	1.7	2.6	5.5	1.4	2.2	-1.2	3.5
CEBR	Mar	0.7	2.4	2.6	3.8	1.5	2.4	-0.7	3.1
DRI	Mar	1.0	0.9	2.6	4.1	4.6	1.9	1.3	3.0
EIU	Apr	0.6	1.3	2.7	1.4	2.0	1.3	1.5	2.9
Henley	Apr	0.2	1.6	2.5	2.4	2.5	1.7	-0.2	4.6
ITEM Club	Apr	0.6	1.9	2.5	2.0	2.5	2.0	-0.2	1.5
Liverpool Univ	Jun*	1.2	1.3	0.6	2.6	-	-	-	-
NIESR	Apr	1.2	2.0	3.1	3.4	1.1	2.1	1.3	4.4
OEF	Jun*	0.8	2.6	2.9	1.4	0.6	2.2	-0.7	3.5
Primark WEFA	Apr	0.8	2.3	2.7	0.8	1.1	1.7	0.6	3.6
EC	Apr	1.1	2.2	3.0	2.7	-1.5	-	2.5	4.7
OECD	May*	0.7	1.2	-	2.1	-	1.5	-	-
IMF	Apr	0.7	-	-	-	-	-	-	-

**Average of Forecasts made in last 3 months**

Independent		0.8	2.1	2.7	2.4	1.5	2.0	0.0	3.7
New (marked *)		0.8	2.2	2.6	2.4	1.5	2.0	-0.3	3.7
City		0.9	2.3	2.7	2.4	1.5	2.1	-0.2	3.8

**Range of Forecasts made in last 3 months**

Highest		1.8	2.9	3.5	5.5	4.0	2.8	2.5	4.8
Lowest		-0.2	1.2	0.6	-0.2	-6.2	1.3	-3.0	1.5

HM Treasury	Mar	1-1½	2-2½	3	2-2½	2.4-3.2	2-2½	¼-¾	¾-4¼
-------------	-----	------	------	---	------	---------	------	-----	------

1999

June 1999

Table 2

## Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		RPI	RPI exc	Average	Sterling	3-month interest	Oil	M0	M4
		(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1999-00)	
<b>City forecasters</b>									
Abn Amro	Mar	1.4	2.3	4.0	98.5	4.90	12.5	3.9	6.3
Barclays Bank	Jun*	0.7	2.1	4.0	100.0	4.50	14.5	5.0	4.0
Barclays Capital	Jun*	1.1	2.0	4.3	107.0	5.30	-	-	-
Charterhouse	Jun*	2.2	2.9	5.2	98.2	6.28	-	7.7	6.7
Chase Manhattan	Jun*	1.7	2.8	3.8	103.2	5.00	14.5	5.5	8.0
Credit Lyonnais	Jun*	1.4	2.5	4.3	102.0	4.75	15.0	-	-
Credit Suisse First Boston	Jun*	1.3	2.3	4.3	-	5.25	-	5.0	9.0
Daiwa Institute of Research	Jun*	1.1	2.1	4.7	98.9	5.25	-	-	-
Deutsche Bank	Jun*	1.4	2.2	4.4	-	-	-	-	-
Dresdner Kleinwort Benson	Mar	0.6	2.0	4.1	99.3	4.60	12.5	-	-
Economic Perspectives	Jun*	1.4	2.0	3.8	98.0	5.00	14.0	4.5	6.7
Goldman Sachs	Jun*	1.3	2.3	4.3	95.0	4.80	14.9	4.3 jk	6.2 jk
Greenwich Natwest	Jun*	1.4	2.4	4.3	101.0	5.25	14.1	-	-
Hermes	May	1.3	2.3	4.4	101.0	5.25	-	-	-
HSBC Econ & Strategy	Jun*	1.1	2.3	3.3	99.0	5.10	15.0	5.0	7.0
J P Morgan	Jun*	1.5	2.5	5.0	100.0	5.40	-	-	-
Lehman Brothers	Jun*	1.0	2.4	3.9	94.1	5.00	14.5	6.0	6.5
Lombard St	Jun*	1.4	2.5	4.5	100.0	5.00	16.0	-	7.7
Merrill Lynch	Jun*	1.2	2.2	4.4	-	5.10	-	5.0	7.0
Morgan Stanley	Jun*	1.2	2.4	4.4	99.2	5.20	-	-	6.8
Natwest Group	Jun*	1.0	2.4	4.6	101.0	4.85	14.0	5.4	6.1
Norwich Union IM	Feb	1.3	2.0	3.8	96.0	5.00	12.0	5.0	5.0
Salomon S Barney /Citibank	Jun*	0.9	1.8	4.2	100.0	4.75	16.5	-	-
Schroders	Jun*	1.2	2.3	4.4	100.0	5.00	15.0	-	-
S.G.	Jun*	-	2.3	4.0	102.0	5.20	15.8	6.5	7.0
Warburg Dillon Read	May	1.0	2.1	3.9	-	5.30	-	5.2	7.1
WestLB Panmure	Jun*	0.9	2.0	4.4	104.0	5.00	-	5.3	7.2
Williams de Broe	Jun*	0.7	1.7	4.5	101.6	5.10	14.5	5.4	8.8

## Non-City forecasters

BSL	Jun*	1.3	2.5	4.2	99.4	5.00	12.7	-	-
Cambridge Econ	Jun*	1.7 r	2.6 r	4.6 n	102.8 r	5.30 ks	14.7	-	-
CBI	May*	1.1	2.2	4.2	101.5	4.75 s	14.3	-	-
CEBR	Mar	1.0	1.6	3.5	97.2	4.06 s	10.5	-	-
DRI	Mar	0.9	2.3	3.7	95.6	5.02	11.2	3.6	8.4
EIU	Apr	1.9	2.2	3.7	102.1	5.00	14.0	-	-
Henley	Apr	1.0	1.8	3.8	-	4.50	-	-	-
ITEM Club	Apr	0.7	2.1	4.3	100.0	5.00	15.0	6.8	7.6
Liverpool Univ	Jun*	-	2.2	4.1	102.9	4.70	-	-	-
NIESR	Apr	1.1	1.8	4.3	101.1	5.25	14.6	6.0 k	12.0 k
OEF	Jun*	1.2	2.1	4.6	101.6	5.00	14.5	6.2	6.6
Primark WEFA	Apr	0.8	2.2	4.5	-	5.00	12.0	-	-
EC	Apr	1.5	-	4.5	-	-	-	-	-
OECD	May*	-	-	-	-	5.4 k	-	-	-
IMF	Apr	-	2.7 k	-	-	-	-	-	-

## Average of Forecasts made in last 3 months

Independent		1.2	2.2	4.3	100.5	5.07	14.6	5.7	7.0
New (marked *)		1.2	2.3	4.3	100.4	5.07	14.7	5.6	7.0
City		1.2	2.3	4.3	100.2	5.11	14.9	5.5	7.0

## Range of Forecasts made in last 3 months

Highest		2.2	2.9	5.2	107.0	6.28	16.5	7.7	9.0
Lowest		0.7	1.7	3.3	94.1	4.50	12.0	4.5	4.0

HM Treasury	Mar	-	2½	-	-	-	-	-	-
-------------	-----	---	----	---	---	---	---	---	---

## Other variables

## Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RHDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf'g output	World Trade	Current account (£ bn)(£bn 99-00)	PSNB
<b>City forecasters</b>									
Abn Amro	Mar	2.9	-0.2	1.40	-1.3	-1.7	5.0	-6.0	1.5
Barclays Bank	Jun*	2.0	-0.4	1.40	-	-1.5	-	-6.0	5.0
Barclays Capital	Jun*	3.0	0.4	1.39	-0.8	-0.8	-	-11.4	3.0 cc
Charterhouse	Jun*	3.3	0.8	1.22	0.5	0.1	-	-9.3	-3.1
Chase Manhattan	Jun*	4.1	0.5	1.51	-1.0	-1.0	-	-13.0	5.0 cc
Credit Lyonnais	Jun*	-	-	1.45	-0.5	-0.7	3.5	-7.8	3.0 cc
Credit Suisse First Boston	Jun*	2.0	-0.5	1.60	0.0	-1.0	-	-3.0	0.0
Daiwa Institute of Research	Jun*	2.4	-0.3	1.60	-	-	-	-11.2	5.5
Deutsche Bank	Jun*	2.3	-	-	-	-1.3	-	-12.4	-
Dresdner Kleinwort Benson	Mar	2.5	-0.3	1.40	-1.4	-2.3	-	-0.5	2.8
Economic Perspectives	Jun*	1.5	-0.4	1.55	-1.1	-1.8	2.0	-13.0	8.0
Goldman Sachs	Jun*	2.9	0.0	1.50	-1.1	-1.2	-	-10.5	3.9
Greenwich Natwest	Jun*	1.9	1.2	1.84 aa	-0.2	-0.5	4.1	-12.2	4.2
Hermes	May	2.9	0.5	1.31	-0.3	-0.4	-	-9.5	3.7
HSBC Econ & Strategy	Jun*	2.5	-0.4	1.50	-	-2.4	1.6	-6.0	-1.0
J P Morgan	Jun*	2.5	0.2	1.30	-1.0	-1.0	-	-6.0	4.0
Lehman Brothers	Jun*	2.0	-0.4	1.60	-1.7	-0.9	5.5	-6.8	7.0 cc
Lombard St	Jun*	2.1	-0.2	1.50	-	-	-	-8.7	4.5 cc
Merrill Lynch	Jun*	-	-	1.35	-	-1.1	-	-6.5	3.0 cc
Morgan Stanley	Jun*	2.3	-0.4	1.50	-1.4	-1.3	-	-13.0	5.0 cc
Natwest Group	Jun*	2.8	0.5	1.32	-0.3	-0.4	4.0	-	-
Norwich Union IM	Feb	2.8	-0.1	1.55	-0.5	-0.5	-	-9.0	5.0
Salomon S Barney /Citibank	Jun*	2.2	0.2	1.50	-0.2	-2.0	-	-13.6	5.6
Schroders	Jun*	2.2	0.0	1.42	-	-1.1	4.0	-14.9	4.0
S.G.	Jun*	1.2	-0.3	1.45	-0.5	-0.5	4.5	-7.0	5.0
Warburg Dillon Read	May	1.3	0.8	1.30	-0.3	-0.8	-	-9.1	-5.6
WestLB Panmure	Jun*	2.7	0.6	1.31	-1.8	-2.0	-	-3.0	2.0 cc
Williams de Broe	Jun*	-	0.8	1.37	0.2	0.1	4.1	-9.0	4.4
<b>Non-City forecasters</b>									
BSL	Jun*	5.0	-0.6	1.46	-1.1	-1.6	1.9	-2.9	6.7
Cambridge Econ	Jun*	1.9	0.8	1.40 r	-1.0	-1.5	2.0 r	-7.4	1.3 kcc
CBI	May*	2.6	0.3	1.37	-0.9	-1.3	1.1	-8.7	5.8 cc
CEBR	Mar	3.5	-0.2	1.53	-	-2.0	-	-2.0	-3.4 cc
DRI	Mar	1.4	-0.7	1.58	1.7	0.3	4.7	2.0	0.1
ETU	Apr	1.4	-0.3	1.51	-0.8	-1.0	4.1	-7.9	-
Henley	Apr	2.2	-2.7	1.50	-	-2.5	-	-10.0	-
ITEM Club	Apr	2.3	0.2	4.90 x	-1.0	-1.7	4.0	-7.4	6.6 cc
Liverpool Univ	Jun*	-	-	1.20	-	-	-	-6.6	2.2 cc
NIESR	Apr	3.2	0.8	1.31	-	-1.8	5.0	0.6	9.2
OEF	Jun*	2.6	-0.1	1.40	-1.0	-1.3	5.7	-8.7	2.4
Primark WEFA	Apr	2.9	-0.3	1.48	-1.2	-1.2	-	-4.0	4.0 cc
EC	Apr	-	0.3	6.50 x	0.5	-	5.1	-8.9	-
OECD	May*	-	-	-	-	-	-	0.1 g	-
IMF	Apr	-	-	4.60 x	-	-	-	-1.2 g	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		2.5	0.1	1.43	-0.7	-1.2	3.8	-8.2	3.4
New (marked *)		2.5	0.1	1.43	-0.7	-1.1	3.5	-8.8	3.6
City		2.4	0.1	1.43	-0.6	-1.0	3.7	-9.3	2.9
<b>Range of Forecasts made in last 3 months</b>									
Highest		5.0	1.2	1.60	0.5	0.1	5.7	0.6	9.2
Lowest		1.2	-2.7	1.20	-1.8	-2.5	1.1	-14.9	-5.6
HM Treasury	Mar	2½-3	-	-	-	-1½ to -1	5¼	-10	4

2000

June 1999

Table 4

## GDP &amp; its components, at constant prices

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		GDP	Private	Government	Fixed	Change in	Domestic	Exports	Imports
			Consumption	expenditure	investment	Inventories(£bn)	demand	(goods & services)	
<b>City forecasters</b>									
Abn Amro	Mar	2.4	2.3	2.5	2.6	1.2	2.4	4.7	4.5
Barclays Bank	Jun*	1.5	2.3	2.3	-3.0	-1.3	1.2	3.3	2.0
Barclays Capital	Jun*	2.1	1.8	2.8	3.5	2.0	2.3	3.1	3.5
Charterhouse	Jun*	1.3	1.7	2.8	-1.3	1.0	0.9	5.3	3.7
Chase Manhattan	Jun*	1.1	1.6	4.1	1.5	1.5	2.1	0.1	2.9
Credit Lyonnais	Jun*	1.6	2.2	2.1	2.7	-0.5	2.1	3.1	4.5
Credit Suisse First Boston	Jun*	2.1	2.3	3.0	2.8	1.2	2.4	4.5	5.1
Daiwa Institute of Research	Jun*	1.9	1.9	2.8	1.3	0.0	2.0	4.4	4.2
Deutsche Bank	Jun*	2.0	2.4	2.9	2.4	1.5	2.4	2.3	3.2
Dresdner Kleinwort Benson	Mar	1.5	3.6	2.7	2.0	-3.6	2.6	2.6	5.8
Economic Perspectives	Jun*	0.6	2.0	2.0	0.1	-1.0	1.2	0.7	2.6
Goldman Sachs	Jun*	2.2	3.4	2.4	1.1	0.8	2.9	3.7	5.6
Greenwich Natwest	Jun*	2.5	2.9	2.4	2.8	2.0	2.8	5.1	5.5
Hermes	May	2.4	2.5	2.3	2.9	1.2	2.3	6.1	5.1
HSBC Econ & Strategy	Jun*	2.0	2.0	2.5	2.0	3.5	2.3	3.5	4.0
J P Morgan	Jun*	2.7	3.0	2.4	2.3	1.6	2.8	3.6	4.0
Lehman Brothers	Jun*	2.0	2.3	2.9	1.8	0.3	2.0	2.3	2.3
Lombard St	Jun*	2.7	2.5	2.7	3.0	2.6	2.8	3.5	3.6
Merrill Lynch	Jun*	2.5	2.5	2.7	2.5	-	-	4.2	5.0
Morgan Stanley	Jun*	2.6	3.3	1.8	2.7	4.2	3.5	6.3	7.1
Natwest Group	Jun*	1.9	2.3	2.1	2.6	2.5	2.3	3.6	4.3
Norwich Union IM	Feb	2.6	2.6	2.8	1.8	3.7	2.7	3.1	3.4
Salomon S Barney /Citibank	Jun*	2.4	3.3	2.7	5.4	-0.9	3.1	4.5	6.5
Schroders	Jun*	1.8	2.8	2.4	1.4	2.6	2.4	2.5	3.8
S.G.	Jun*	1.7	1.8	1.9	3.3	2.8	3.1	2.5	3.5
Warburg Dillon Read	May	2.5	2.7	2.3	1.9	-	2.4	4.3	2.8
WestLB Panmure	Jun*	2.4	2.4	2.3	3.1	2.1	2.3	4.6	3.9
Williams de Broe	Jun*	3.1	2.7	2.7	4.1	2.0	3.1	5.0	4.9

**Non-City forecasters**

BSL	Jun*	2.3	1.7	3.1	1.4	2.7	2.0	6.9	5.4
Cambridge Econ	Jun*	1.7	2.1	2.1	1.6	1.9	1.9	2.1	2.6
CBI	May*	2.1	2.1	2.3	1.6	1.5	2.0	3.1	2.6
CEBR	Mar	1.6	2.2	2.8	2.8	1.5	2.4	2.1	4.6
DRI	Mar	1.5	1.3	3.9	3.7	-0.3	1.6	4.6	4.5
ETU	Apr	1.7	1.8	2.3	1.7	1.6	1.8	4.9	5.0
Henley	Apr	2.0	1.6	1.7	2.1	3.0	1.7	3.5	2.5
ITEM Club	Apr	1.5	2.1	2.9	1.7	0.5	1.9	3.4	2.2
Liverpool Univ	Jun*	2.8	2.5	2.8	0.9	-	-	-	-
NIESR	Apr	2.4	2.7	2.9	3.4	0.6	2.8	4.3	5.1
OEF	Jun*	2.0	2.4	2.2	0.5	-0.8	1.8	4.9	4.1
Primark WEFA	Apr	2.5	2.6	2.5	-0.6	2.2	2.1	5.4	4.1
EC	Apr	2.3	2.5	2.0	3.6	0.1	-	5.4	5.8
OECD	May*	1.6	1.6	-	1.5	-	1.7	-	-
IMF	Apr	2.2	-	-	-	-	-	-	-

**Average of Forecasts made in last 3 months**

Independent		2.1	2.3	2.5	2.0	1.4	2.2	3.9	4.1
New (marked *)		2.0	2.3	2.5	1.9	1.4	2.3	3.7	4.1
City		2.1	2.4	2.5	2.1	1.4	2.4	3.7	4.1

**Range of Forecasts made in last 3 months**

Highest		3.1	3.4	4.1	5.4	4.2	3.5	6.9	7.1
Lowest		0.6	1.6	1.7	-3.0	-1.3	0.9	0.1	2.0

HM Treasury	Mar	2¼-2¾	2½ - 3	2¼	2¾-3¼	0.8-2.4	2¼-3	4½-5	4½-5
-------------	-----	-------	--------	----	-------	---------	------	------	------

2000

June 1999

Table 5

## Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts	RPI		Average	Sterling	3-month interest	Oil	M0	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(2000-1)		
<b>City forecasters</b>									
Abn Amro	Mar	3.0	2.5	3.9	94.9	4.90	13.5	4.6	5.5
Barclays Bank	Jun*	2.4	2.0	3.5	94.0	4.50	15.0	5.0	3.0
Barclays Capital	Jun*	2.9	2.5	4.0	106.0	5.30	-	-	-
Charterhouse	Jun*	3.8	2.9	5.0	96.5	6.90	-	4.6	6.2
Chase Manhattan	Jun*	2.5	2.9	3.3	101.6	5.00	16.0	6.5	7.5
Credit Lyonnais	Jun*	2.5	2.3	3.7	98.0	4.25	17.0	-	-
Credit Suisse First Boston	Jun*	2.5	2.5	3.8	-	4.75	-	5.0	8.0
Daiwa Institute of Research	Jun*	2.6	2.1	4.3	92.7	5.25	-	-	-
Deutsche Bank	Jun*	3.2	2.4	4.2	-	-	-	-	-
Dresdner Kleinwort Benson	Mar	1.0	1.7	4.2	97.8	3.80	13.0	-	-
Economic Perspectives	Jun*	1.8	1.7	3.5	92.0	4.50	15.0	4.8	6.0
Goldman Sachs	Jun*	2.3	1.9	3.7	93.0	4.60	18.0	6.0 jk	7.3 jk
Greenwich Natwest	Jun*	3.0	2.5	4.1	97.0	5.92	15.0	-	-
Hermes	May	2.8	2.5	4.5	99.7	5.75	-	-	-
HSBC Econ & Strategy	Jun*	3.2	2.3	3.3	99.0	5.50	17.0	6.0	6.0
J P Morgan	Jun*	3.0	2.7	5.0	97.0	6.20	-	-	-
Lehman Brothers	Jun*	1.4	2.2	3.5	97.0	4.75	15.5	5.0	5.0
Lombard St	Jun*	2.8	3.0	4.7	94.0	5.00	17.0	-	8.6
Merrill Lynch	Jun*	2.6	2.2	4.6	-	5.10	-	5.5	7.5
Morgan Stanley	Jun*	3.6	2.8	4.7	101.2	6.20	-	-	5.8
Natwest Group	Jun*	3.0	2.5	4.3	98.0	5.80	14.0	5.6	6.5
Norwich Union IM	Feb	2.0	2.4	3.8	95.0	5.00	14.0	7.0	7.0
Salomon S Barney /Citibank	Jun*	2.2	1.8	4.0	97.0	4.60	16.5	-	-
Schroders	Jun*	2.8	2.5	3.8	96.0	5.50	16.0	-	-
S.G.	Jun*	-	2.2	3.7	99.0	5.50	18.0	7.0	8.0
Warburg Dillon Read	May	2.2	2.4	3.1	-	5.20	-	5.5	7.5
WestLB Panmure	Jun*	2.7	2.7	5.0	104.0	5.00	-	6.2	8.3
Williams de Broe	Jun*	2.0	1.7	4.5	98.6	5.20	16.0	4.2	10.4
<b>Non-City forecasters</b>									
BSL	Jun*	2.6	2.2	4.6	95.7	5.00	15.0	-	-
Cambridge Econ	Jun*	3.1 r	2.6 r	4.1	98.1 r	5.40 ks	15.0	-	-
CBI	May*	2.3	2.3	4.3	97.0	4.75 s	15.0	-	-
CEBR	Mar	-0.1	0.4	2.3	92.4	3.25 s	10.6	-	-
DRI	Mar	2.1	2.0	3.8	92.3	5.30	12.5	0.9	6.7
EIU	Apr	2.3	2.5	4.0	100.4	5.10	15.5	-	-
Henley	Apr	1.9	1.9	3.7	-	4.90	-	-	-
ITEM Club	Apr	2.1	2.3	4.3	95.0	5.00	16.0	4.6	7.4
Liverpool Univ	Jun*	-	2.3	4.2	102.3	4.90	-	-	-
NIESR	Apr	3.4	2.7	5.1	99.8	5.25	15.6	7.0 k	13.0 k
OEF	Jun*	2.8	2.3	4.2	95.4	5.00	16.6	6.1	8.9
Primark WEFA	Apr	2.6	2.7	4.3	-	5.00	14.3	-	-
EC	Apr	2.2	-	4.5	-	-	-	-	-
OECD	May*	-	-	-	-	4.5 k	-	-	-
IMF	Apr	-	2.4 k	-	-	-	-	-	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		2.6	2.4	4.1	97.7	5.20	15.9	5.4	7.1
New (marked *)		2.7	2.3	4.1	97.6	5.21	16.0	5.5	7.0
City		2.7	2.4	4.1	97.7	5.26	16.1	5.5	7.0
<b>Range of Forecasts made in last 3 months</b>									
Highest		3.8	3.0	5.1	106.0	6.90	18.0	7.0	10.4
Lowest		1.4	1.7	3.1	92.0	4.25	14.0	4.2	3.0
HM Treasury	Mar	-	2½	-	-	-	-	-	-

## Other variables

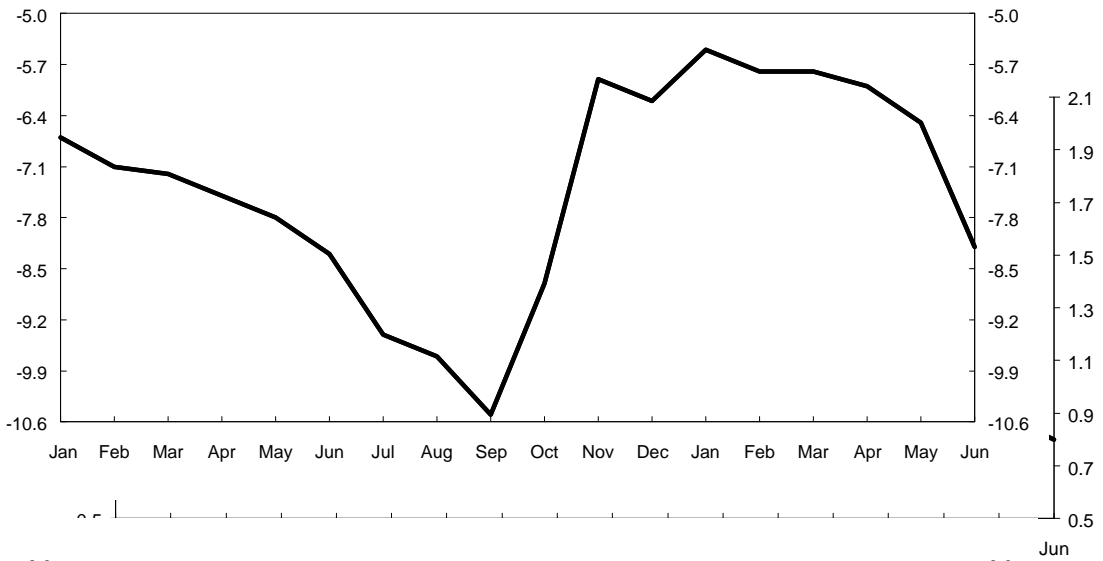
Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RHDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manufg output	World Trade	Current account (£ bn)	PSNB (£bn 00-01)
<b>City forecasters</b>									
Abn Amro	Mar	2.2	-0.1	1.40	1.2	0.8	5.9	-9.3	7.7
Barclays Bank	Jun*	2.3	-0.7	1.60	-	0.0	-	-4.0	10.0
Barclays Capital	Jun*	2.3	-0.2	1.34	2.0	2.0	-	-11.3	75 cc
Charterhouse	Jun*	2.3	-0.6	1.56	1.0	1.0	-	-12.3	4.5
Chase Manhattan	Jun*	1.6	-0.1	1.63	0.0	0.0	-	-20.0	10.0 cc
Credit Lyonnais	Jun*	-	-	1.60	1.1	0.9	5.0	-9.0	11.0 cc
Credit Suisse First Boston	Jun*	2.3	-0.5	1.75	1.0	1.0	-	-6.0	7.5
Daiwa Institute of Research	Jun*	2.2	-0.9	1.70	-	-	-	-8.0	7.5
Deutsche Bank	Jun*	2.7	-	-	-	1.2	-	-10.1	-
Dresdner Kleinwort Benson	Mar	2.9	-0.6	1.45	1.0	0.7	-	-6.0	9.0
Economic Perspectives	Jun*	2.0	-0.4	1.75	0.5	1.2	3.5	-17.0	15.0
Goldman Sachs	Jun*	2.7	0.0	1.45	1.7	1.6	-	-16.5	5.7
Greenwich Natwest	Jun*	2.5	0.8	1.69 aa	2.8	2.6	4.7	-13.2	6.0
Hermes	May	3.0	0.8	1.20	2.5	2.8	-	-7.6	4.5
HSBC Econ & Strategy	Jun*	2.5	-0.7	1.70	-	1.0	2.8	-9.0	3.0
J P Morgan	Jun*	3.0	1.0	1.10	1.0	1.0	-	-8.5	6.0
Lehman Brothers	Jun*	2.0	-0.1	1.80	1.3	1.7	6.5	-6.0	18.0 cc
Lombard St	Jun*	3.0	0.3	1.40	-	-	-	-13.0	7.5 cc
Merrill Lynch	Jun*	-	-	1.35	-	1.9	-	-8.0	6.0 cc
Morgan Stanley	Jun*	3.0	0.8	1.40	1.6	1.9	-	-16.0	8.0 cc
Natwest Group	Jun*	2.9	0.7	1.39	3.0	2.7	5.5	-	-
Norwich Union IM	Feb	3.1	1.6	1.40	1.5	1.5	-	-12.0	2.0
Salomon S Barney /Citibank	Jun*	2.6	0.1	1.44	1.0	1.0	-	-26.6	12.6
Schroders	Jun*	2.1	0.0	1.55	-	1.2	5.0	-18.7	8.0
S.G.	Jun*	1.0	-0.5	1.80	1.5	1.5	5.5	-12.0	12.0
Warburg Dillon Read	May	2.7	1.0	1.30	2.0	2.1	-	-9.2	4.0
WestLB Panmure	Jun*	2.2	1.4	1.18	0.6	0.5	-	-2.1	3.0 cc
Williams de Broe	Jun*	-	0.7	1.35	4.1	4.2	6.7	-9.8	5.0
<b>Non-City forecasters</b>									
BSL	Jun*	3.6	-1.2	1.76	1.7	1.8	4.3	-8.5	10.5
Cambridge Econ	Jun*	2.1	0.0	1.60 r	1.1	1.4	3.0 r	-8.2	5.1 kcc
CBI	May*	2.5	0.2	1.40	1.7	0.7	6.5	-11.1	6.6 cc
CEBR	Mar	2.0	-0.4	1.62	-	-2.0	-	-7.1	5.0 cc
DRI	Mar	1.5	-0.1	1.62	2.8	2.5	5.8	11.4	7.8
EIU	Apr	2.1	-0.1	1.69	0.9	0.7	5.4	-6.7	-
Henley	Apr	2.3	-1.7	1.84	-	-0.3	-	-11.0	-
ITEM Club	Apr	2.0	-0.5	6.10 x	1.5	1.3	6.5	-9.8	7.4 cc
Liverpool Univ	Jun*	-	-	1.20	-	-	-	-8.2	-3.5 cc
NIESR	Apr	3.3	0.7	1.35	-	0.0	5.9	-10.1	5.4
OEF	Jun*	2.4	-0.6	1.50	0.0	0.4	7.2	-8.1	2.9
Primark WEFA	Apr	2.4	-0.2	1.52	2.5	2.0	-	-9.7	5.0 cc
EC	Apr	-	0.5	6.6 x	1.0	-	6.4	-10.4	-
OECD	May*	-	-	-	-	-	-	-0.1 g	-
IMF	Apr	-	-	6.1 x	-	-	-	-2.4 g	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		2.4	0.0	1.50	1.5	1.3	5.5	-10.7	7.2
New (marked *)		2.4	0.0	1.51	1.4	1.4	5.3	-11.2	7.7
City		2.4	0.1	1.49	1.6	1.5	5.0	-11.4	7.4
<b>Range of Forecasts made in last 3 months</b>									
Highest		3.6	1.4	1.84	4.1	4.2	7.2	-2.1	15.0
Lowest		1.0	-1.7	1.10	0.0	-0.3	2.8	-26.6	2.9
HM Treasury	Mar	2½-3	-	-	-	1½-2	5¾	-10½	5

# Forecasts for 1999

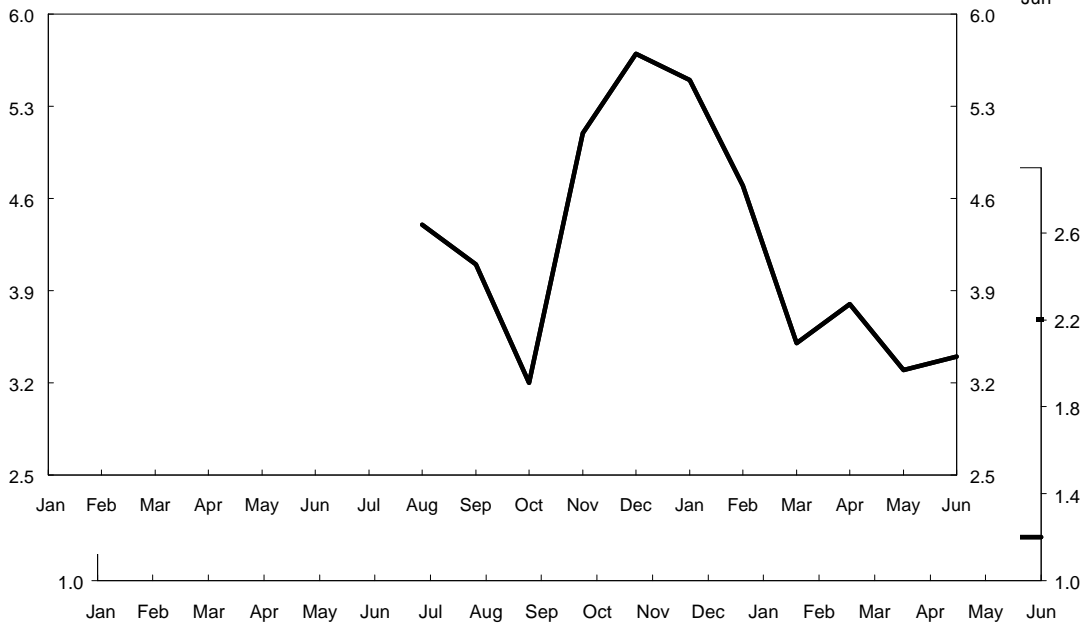
Independent average, January 1998 - June 1999

Current account  
(£ billion)  
(per cent)

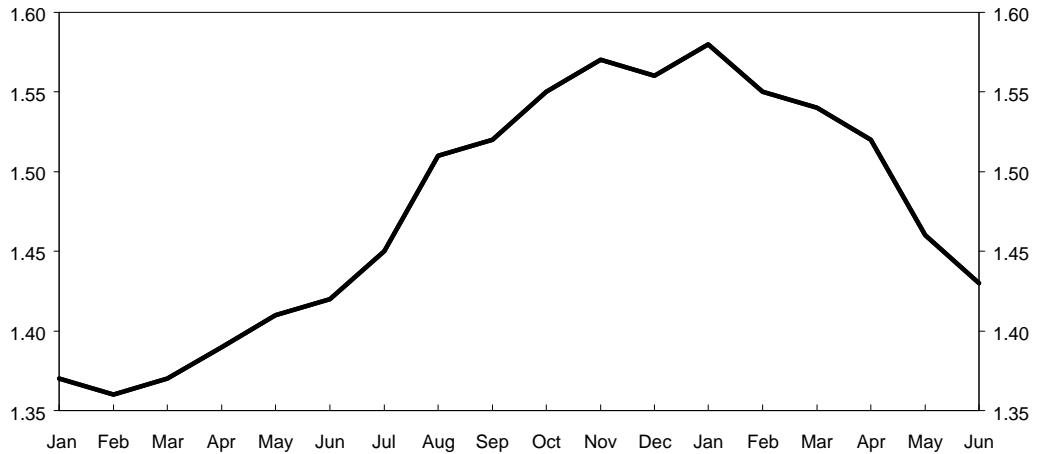


PSNB 1999-01  
(£ billion)

Retail price inflation  
(Q4, per cent)



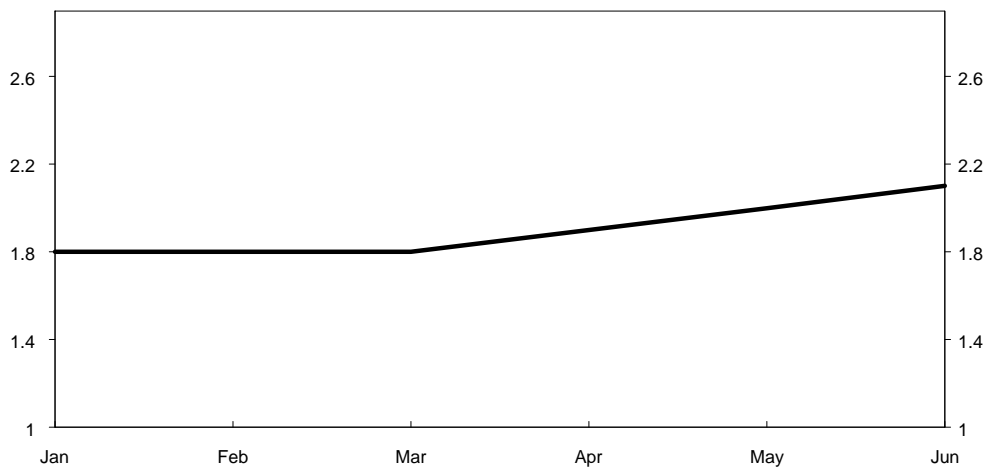
Claimant unemployment  
(Q4, millions)



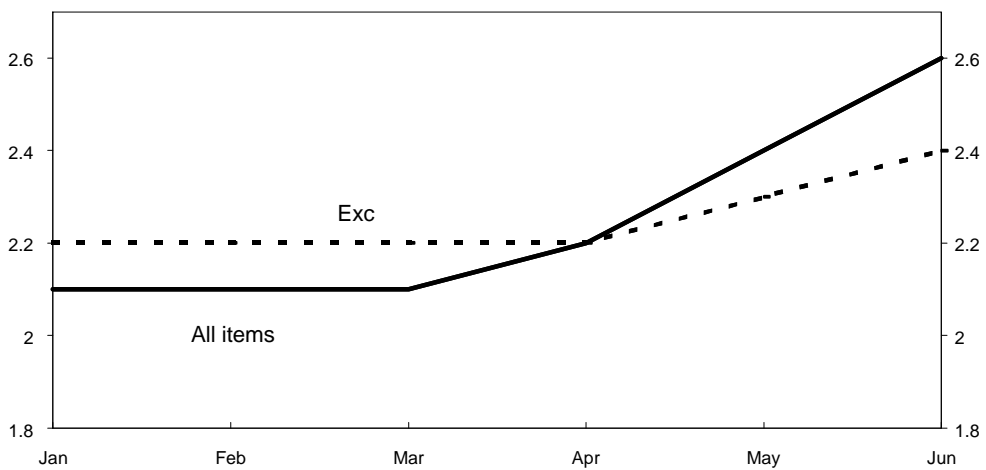
# Forecasts for 2000

Independent average, January 1999 - June 1999

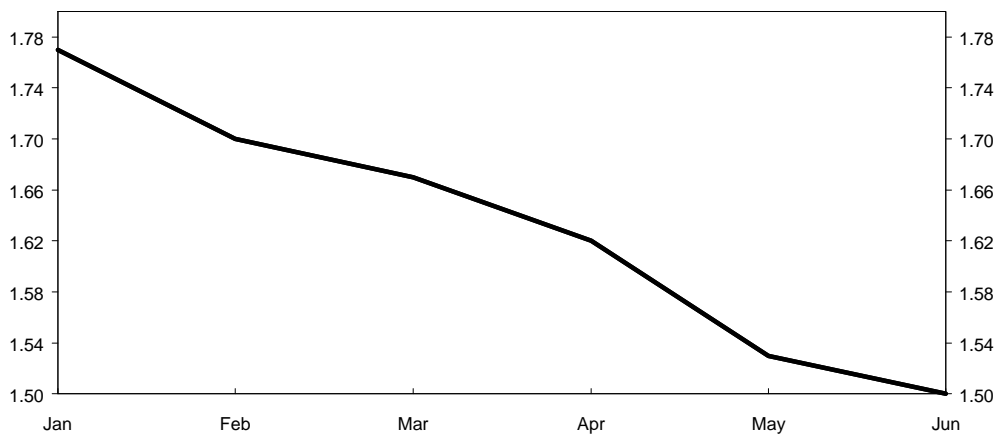
GDP growth (per cent)



Retail price inflation (Q4, per cent)



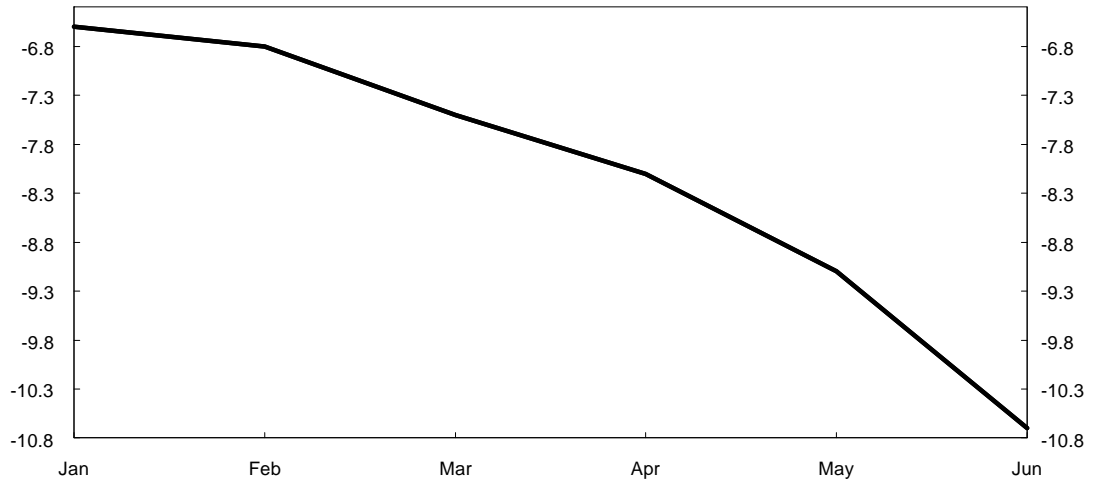
Claimant unemployment (Q4, millions)



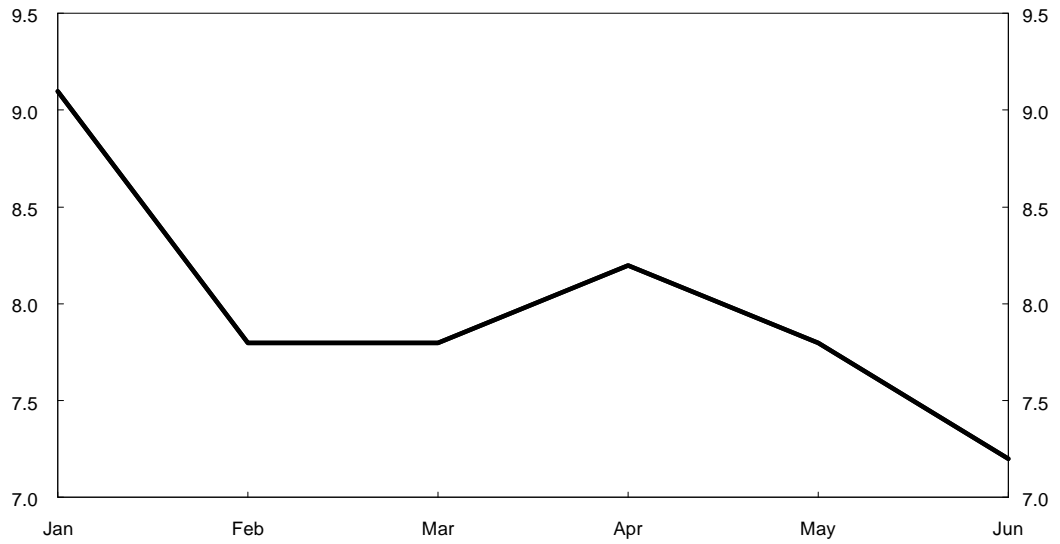
# Forecasts for 2000

Independent average, January 1999 - June 1999

Current account  
(£ billion)

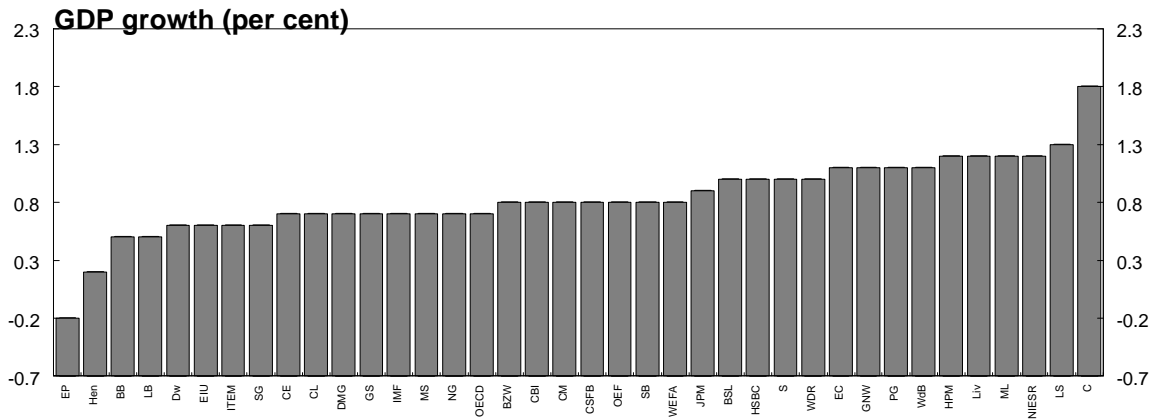


PSNB 1999-00  
(£ billion)

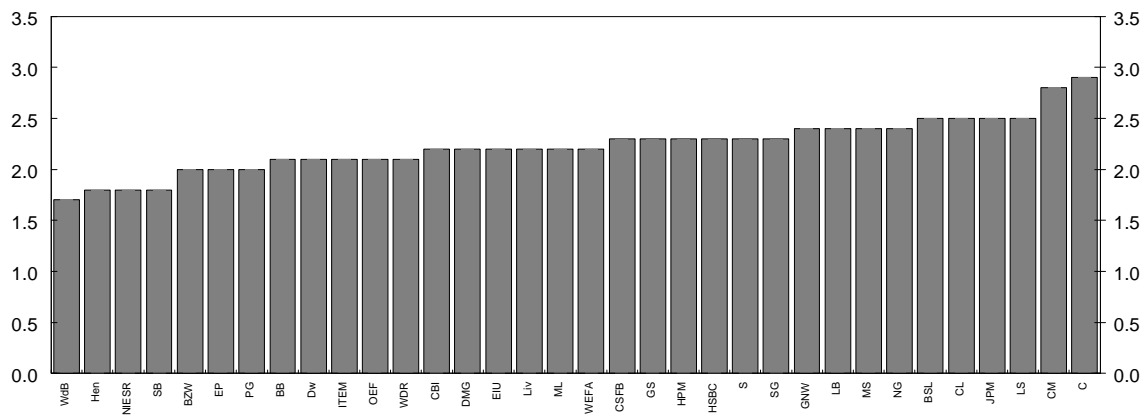


# Forecasts for 1999

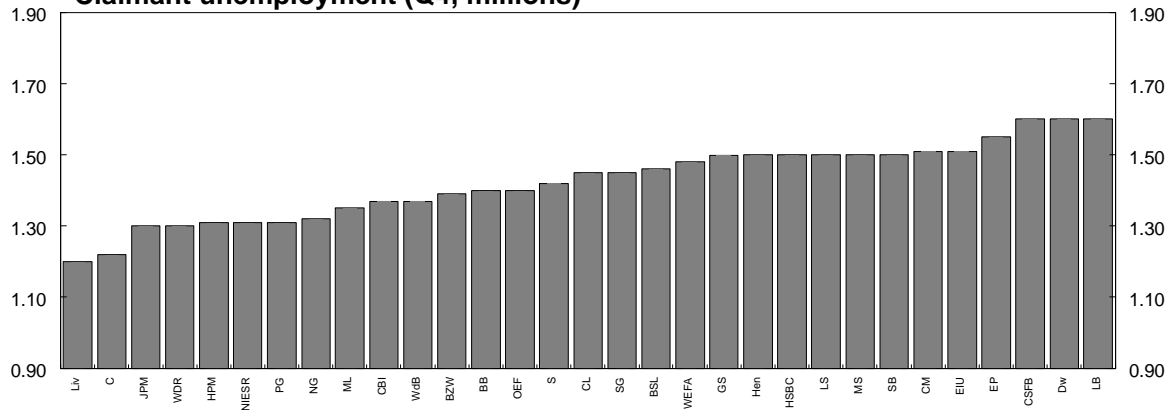
June 1999 range of forecasts ( made in last 3 months )



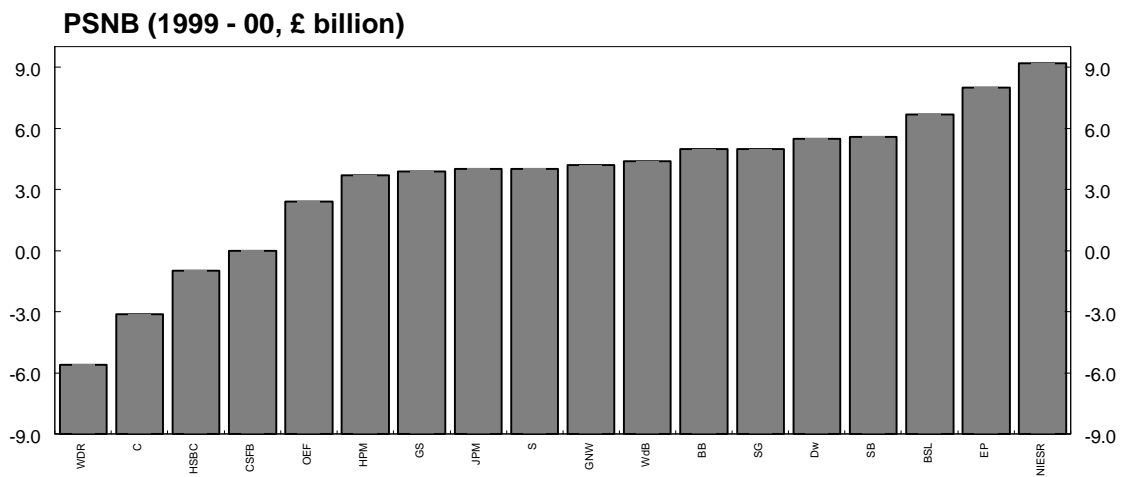
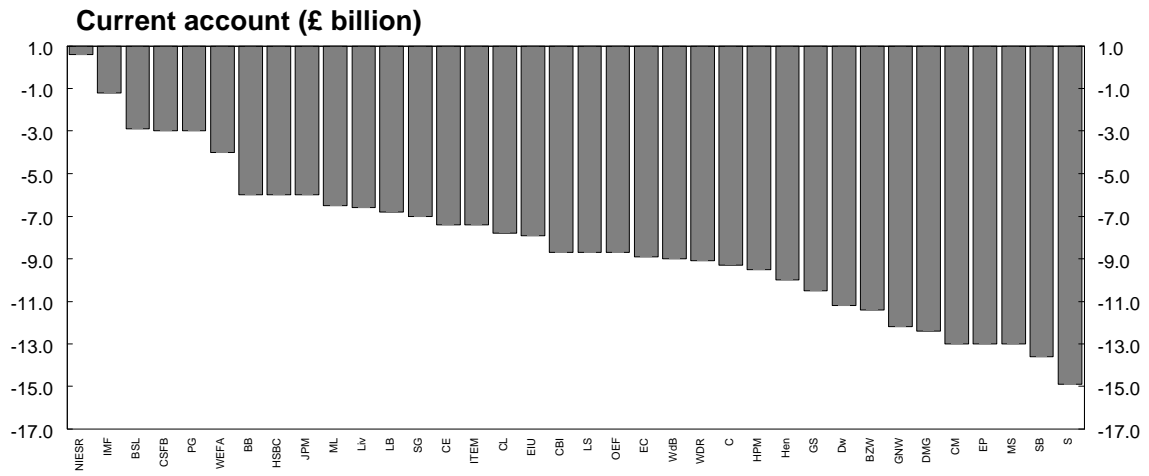
### Retail price inflation exc MIPs (Q4, per cent)



### Claimant unemployment (Q4, millions)



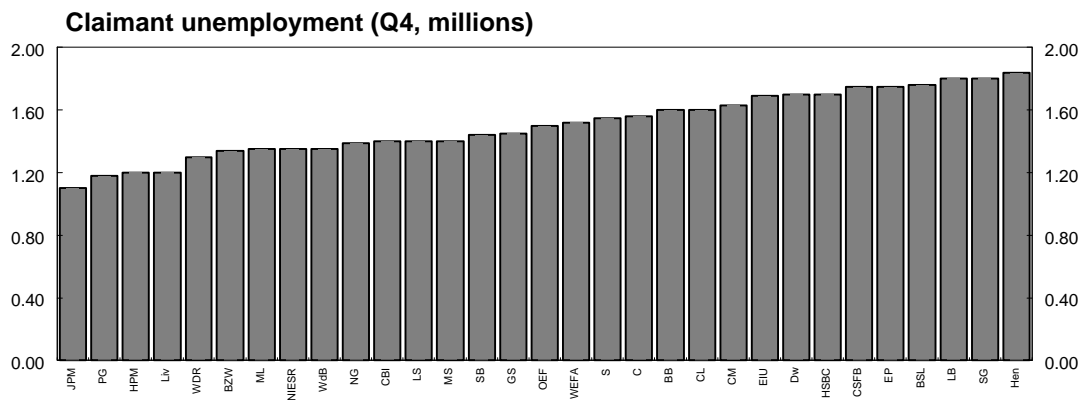
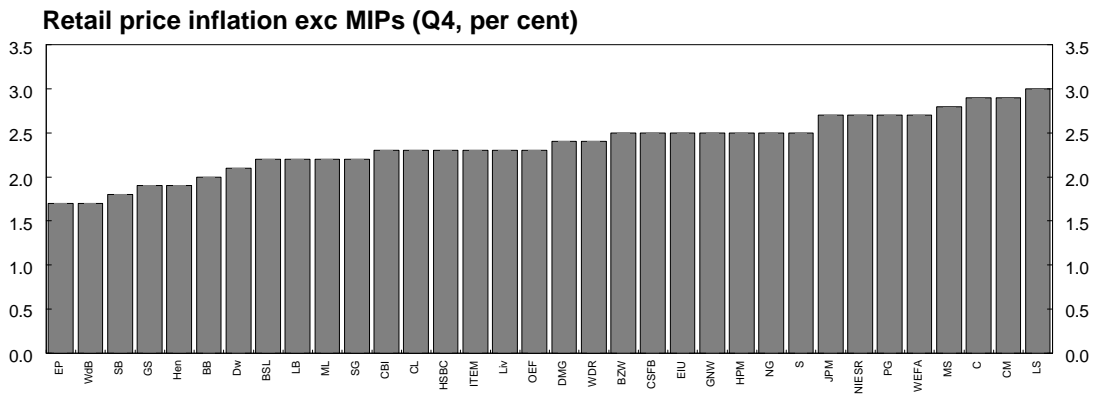
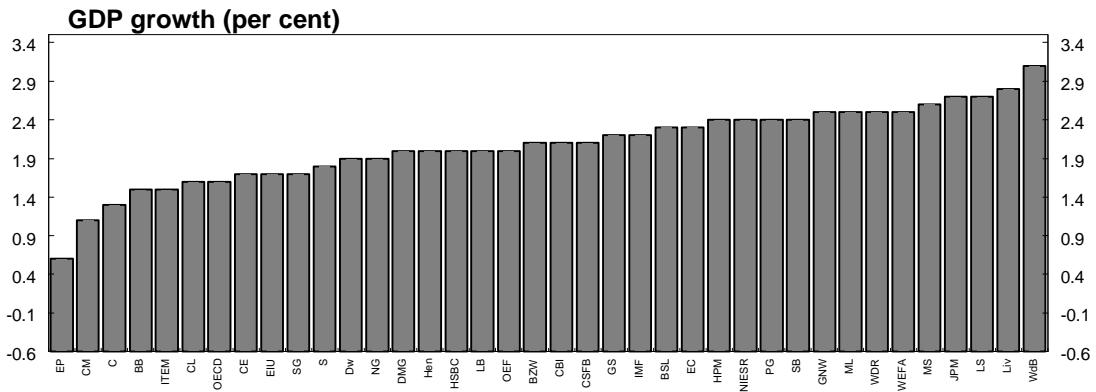
**Forecasts for 1999**  
June 1999, range of forecasts ( made in last 3 months )





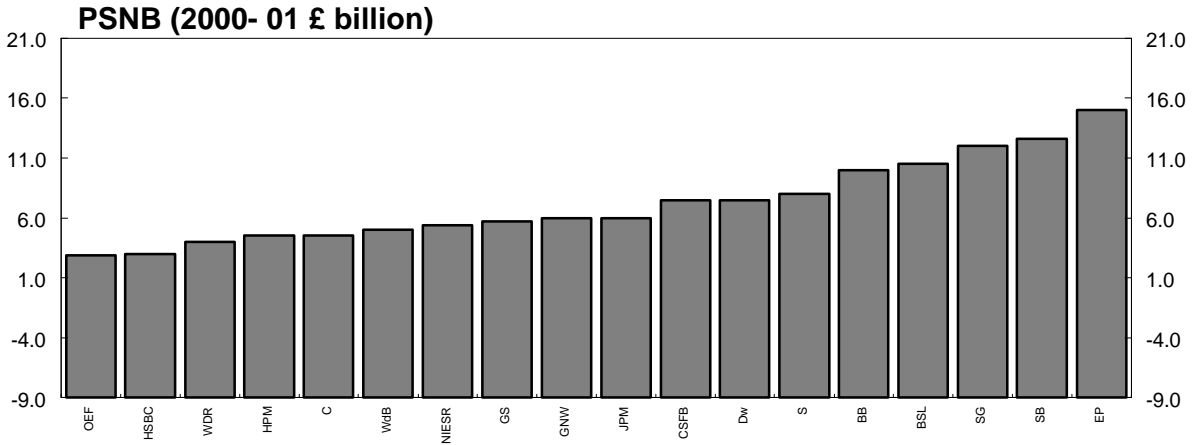
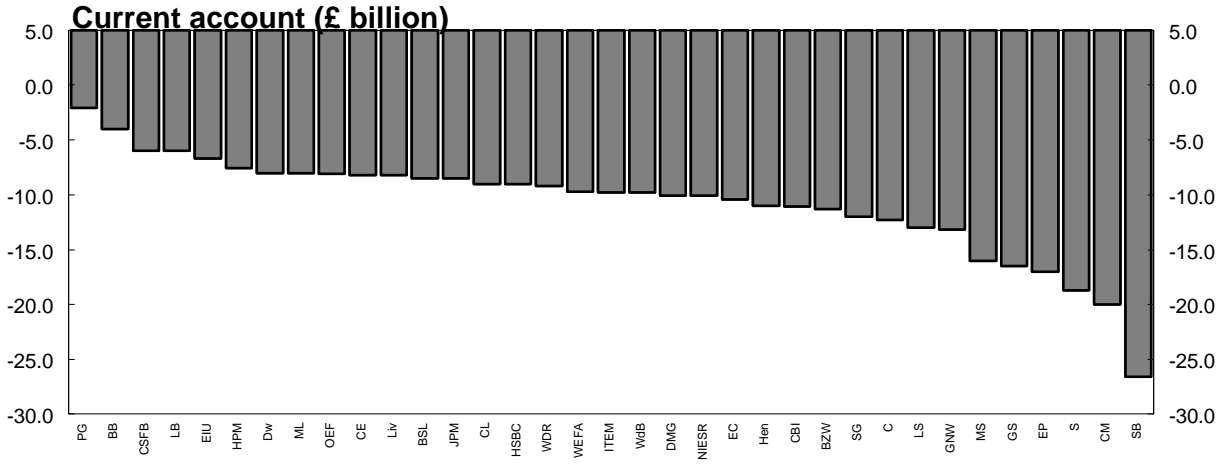
# Forecasts for 2000

June 1999, range of forecasts ( made in last 3months )



# Forecasts for 2000

June 1999, range of forecasts (made in last 3 months)



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

AA:	Abn Amro
BB:	Barclays Bank
BZW:	Barclays Capital
BSL:	Business Strategies Ltd
CE:	Cambridge Econometrics
C:	Charterhouse
CM:	Chase Manhattan
CBI:	Confederation of British Industry
CEBR:	Centre for Economics and Business Research Ltd
CL:	Credit Lyonnais
CSFB:	Credit Suisse First Boston
Dw:	Daiwa Europe Ltd/DIR
DB :	Deutsche Bank
DKB:	Dresdner Kleinwort Benson
DRI:	Data Resources Inc. Europe
EC:	European Commission
EIU:	Economist Intelligence Unit
EP:	Economic Perspectives
GNW:	Greenwich Natwest
GS:	Goldman Sachs
Hen:	Henley Forecasting Centre
HSBC:	HSBC Economics and Strategy
HPM:	Hermes Pensions Management Ltd
IMF:	International Monetary Fund
ITEM:	ITEM Club
JPM:	J P Morgan
LB:	Lehman Brothers
Liv:	Liverpool University Research Group in Macroeconomics
LS:	Lombard Street Research Ltd
ML:	Merrill Lynch
MS:	Morgan Stanley
NIESR:	National Institute for Economic and Social Research
NG:	Natwest Group
NE:	Nikko Europe
NUIM:	Norwich Union Investment Management
OECD	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
SB:	Saloman Smith Barney
S:	Schroders
SG:	Societe Generale
WDR:	Warburg Dillon Read
WLBP:	WestLB Panmure
WdB:	Williams de Broë

**Notation** used in tables:

- a: consumers' expenditure deflator
- b: underlying consumers' expenditure deflator
- c: non-durable consumption
- d: current and capital expenditure, including stockbuilding
- e: private sector investment, stockbuilding and durable consumption
- f: investment and stockbuilding combined
- g: as a percentage of GDP
- h: contribution to GDP growth - per cent
- i: hourly rate
- j: end period
- k: calendar year
- m: non-oil trade
- n: wages and salaries divided by employees in employment
- o: consumer price deflator to Q4
- p: calculated from general government financial deficit figures adjusted for privatisation proceeds
- q: forecast growth rates for Q4
- r: various definitions; refer to forecasters for details
- s: base 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 markets
- x: claimant unemployment rate
- y: derived from the consumer price index
- z: OECD real imports of goods and services
- aa: ILO Unemployment
- bb: Households only
- cc: PSNCR (Formerly PSBR)
- dd: Harmonized index of consumer prices (HICP)

<b>Organisation</b>	<b>Contact</b>	<b>Telephone number</b>
Abn Amro	Richard Iley	0171 374 7171
Barclays Bank	Mark Joint	01202 344 112
Barclays Capital	David Hillier	0171 773 4307
BSL	Neil Blake	0171 630 5959
Cambridge Econometrics	Rachel Beaven	01223 460 760
Charterhouse	Richard Jeffrey	0171 246 2472
Chase Manhattan	Adrian Schmidt	0171 777 4033
CBI	Ranjiv Mann	0171 395 8101
	Sudhir Junankar	0171 395 8100
CEBR	Solomon Peters	0171 600 6661
Credit Lyonnais	Glenn Davies	0171 214 5388
Credit Suisse First Boston	Robert Barrie	0171 888 7536
Daiwa Europe Ltd/DIR	Don Eggington	0171 548 8712
Deutsche Morgan Grenfell	Ciaran Barr	0171 545 2088
Dresdner Kleinwort Benson	Leo Doyle	0171 956 8074
DRI	Darren Rawcliffe	0181 545 6225
EC	Keith Vernon	(00 322) 299 3446
EIU	Phillip Whyte	0171 830 1287
Economic Perspectives	Peter Warburton	0171 382 8317
Goldman Sachs	Ann Terry	0171 774 1166
Greenwich Natwest	Geoffrey Dicks	0171 389 3892
Henley Centre	Steve Radley	0171 955 1868
Hermes Pensions Man. Ltd	James Walsh	0171 680 2144
HSBC	Jonathan Loynes	0171 336 4147
	Roger Bootle	0171 336 3888
ITEM club	John Gaster	01865 268913
J P Morgan	David Mackie	0171 325 5040
Lehman Brothers	Mike Dicks	0171 260 2783
Liverpool University	Bruce Webb	01222 874 000
Lombard Street Research Ltd	Stewart Robertson	0171 337 2800
Merrill Lynch	Ian Stewart	0171 772 1512
Morgan Stanley	Mark Miller	0171 513 6643
NIESR	Garry Young	0171 222 7665
Natwest Group	Elisabeth Hall	0171 726 1912
Norwich Union IM	Mike Collins	01603 683680
Oxford Economic Forecasting	Adrian Cooper	01865 202 828
Saloman Smith Barney	Michael Saunders	0171 721 3924
Schroders	David Philpotts	0171 658 6439
S.G. (Societe Generale)	Brian Hilliard	0171 762 5014
Warburg Dillon Read	Darren Winder	0171 568 4412
Primark WEFA	Paul Robson	0171 631 0757
WestLB Panmure	Stuart Weatherby	0171 860 3659
Williams de Broë	David Smith	0171 588 7511 ext 402