



Includes
Forecasts to 2002

HM Treasury

FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts

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 16 September 1998. 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, August 1998

This edition of the comparison contains 25 new forecasts. The tables below summarise the average and range of independent forecasts for 1998 and 1999 and show the average of this month's new forecasts.

Forecasts for 1998

	Independent ⁺				Average of new* forecasts
	Averages		August range		
	August	July	Lowest	Highest	
GDP growth (per cent)	2.2	2.2	1.6	2.7	2.2
Inflation rate (Q4: per cent)					
- RPI	3.2	3.2	2.5	4.5	3.2
- RPI exc MIPs	2.7	2.7	2.1	3.8	2.7
Claimant unemployment (Q4: mn)	1.36	1.34	1.26	1.50	1.37
Current account (£bn)	-8.9	-8.2	-13.9	- 2.9	-9.4
PSNCR** (1998-99: £bn)	-0.3	-0.7	-9.3	7.0	0.0

Forecasts for 1999

	Independent ⁺				Average of new* forecasts
	Averages		August range		
	August	July	Lowest	Highest	
GDP growth (per cent)	1.5	1.7	0.5	2.5	1.4
Inflation rate (Q4: per cent)					
- RPI	2.3	2.4	1.4	3.3	2.2
- RPI exc MIPs	2.6	2.6	2.0	3.2	2.6
Claimant unemployment (Q4: mn)	1.51	1.45	1.12	1.75	1.53
Current account (£bn)	-9.7	-9.4	-26.4	-1.6	-10.2
PSNCR** (1999-00 : £bn)	1.3	0.0	-14.5	12.0	2.0

⁺Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (August 25 institutions July 27 institutions, June 34 institutions).

*Based on new forecasts received for the comparison this month

**PSNCR: Public Sector Net Cash requirement, was previously called PSBR

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

1998

August 1998

Table 1

GDP & its components, at constant prices

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		GDP	Consumers' expenditure	Government expenditure	Fixed investment	Stockbuilding (£bn)	Domestic demand	Exports (goods & services)	Imports
City forecasters									
Abn Amro	July	2.3	3.8	0.3	5.0	3.2	3.5	1.9	5.6
Barclays Bank	Aug*	2.2	4.0	0.9	7.5	2.5	4.1	0.6	5.9
Barclays Capital	Aug*	2.1	3.7	0.8	6.6	3.8	3.9	0.1	4.8
Charterhouse	Aug*	2.7	3.6	-0.4	8.4	2.8	3.7	0.3	4.5
Chase Manhattan	Aug*	2.2	2.6	1.5	5.3	3.2	3.4	1.7	5.2
Credit Lyonnais	July	2.3	4.1	1.2	5.6	4.7	-	2.8	7.5
Credit Suisse First Boston	Aug*	2.3	3.7	0.5	6.0	3.2	3.6	0.5	4.5
Daiwa Europe Ltd/DIR	June	2.3	3.3	0.3	5.9	4.2	3.5	0.9	5.3
Deutsche Bank	July	2.6	4.2	1.0	7.2	2.7	4.2	0.0	4.6
Dresdner Kleinwort B	July	2.1	3.4	1.0	4.8	3.5	3.4	0.8	4.4
Economic Perspectives	Aug*	1.7	2.7	0.6	4.8	2.0	3.2	2.0	5.5
Goldman Sachs	Aug*	2.2	3.6	1.3	7.2	2.2	3.8	0.5	4.9
Greenwich Natwest	July	2.2	3.5	1.2	6.7	2.4	3.6	-0.6	3.4
Hermes	Aug*	2.3	3.7	0.3	6.9	3.4	3.8	-0.2	3.8
HSBC Econ & Strategy	Aug*	2.0	3.5	1.0	4.0	0.6	3.3	0.0	3.5
J P Morgan	Aug*	2.2	3.5	0.5	7.0	3.1	3.6	0.4	5.0
Lehman Brothers	Aug*	2.3	3.7	1.0	6.5	2.6	3.7	-0.5	3.3
Lombard St	Aug*	2.4	4.0	1.0	7.1	2.9	4.0	0.9	5.3
Merrill Lynch	Aug*	2.2	3.7	1.3	4.5	-	-	3.5	4.0
Morgan Stanley	Aug*	2.2	3.9	1.7	5.0	2.4	3.7	0.9	4.9
Natwest Group	Aug*	2.3	3.8	0.4	6.5	2.3	3.6	0.0	3.6
Nikko Europe	Aug*	2.0	3.5	0.9	4.8	2.2	3.0	2.0	5.0
Norwich Union IM	Aug*	2.2	3.7	0.5	5.8	3.1	3.6	0.4	3.9
Panmure Gordon	Aug*	2.0	3.8	0.6	6.1	4.0	3.8	-1.5	3.4
Salomon Brothers	Aug*	2.0	3.8	1.3	6.1	3.2	3.9	0.3	5.5
Schroders	July	2.1	3.8	0.8	4.1	3.9	3.5	1.1	4.7
Societe Generale	June	2.2	3.8	1.0	4.6	2.8	3.5	3.9	6.4
Warburg Dillon Read	Aug*	2.3	3.7	0.5	6.5	-	3.8	0.3	3.6
Williams de Broe	Aug*	2.4	4.1	1.0	7.1	3.4	4.2	0.7	5.4
Non-City forecasters									
BSL	Aug*	1.9	3.7	0.2	3.4	3.9	3.3	-1.2	3.0
Cambridge Econ	June	2.1	3.5	0.5	3.5	1.7	2.9	2.9	5.9
CBI	May	2.1	4.0	1.1	4.4	2.3	3.5	1.4	4.9
CEBR	July	1.6	2.9	1.3	4.8	2.8	3.0	2.1	5.6
DRI	July	2.1	3.6	2.3	5.2	2.9	3.7	-0.9	4.7
EIU	June	2.0	3.3	1.2	4.2	2.2	3.2	4.6	7.4
Henley	May	2.2	3.6	1.1	3.5	2.7	3.3	3.5	6.4
ITEM Club	Aug*	2.3	4.5	1.2	5.0	-0.3	3.6	3.0	7.5
LBS	Aug*	2.2	3.7	0.6	2.0	2.3	3.5	2.0	5.9
Liverpool Univ	July	2.1	3.5 c	0.7 d	7.5 e	-	4.0	-	-
NIESR	July	2.1	3.7	1.2	6.0	3.0	3.7	-0.2	4.3
OEF	Aug*	2.3	4.0	0.3	5.3	3.8	3.7	0.2	4.8
WEFA	Aug*	2.4	3.8	0.8	5.6	2.5	3.6	2.0	4.9
EC	May	1.9	3.6	1.6	4.9	2.1 g	3.4	2.8	7.4
OECD	June	1.7	3.3	0.8	5.0	-	3.0	5.0	9.0
IMF	Jan	2.4	3.6	-0.4	5.1	-	3.0	5.2	6.6
Average of Forecasts made in last 3 months									
Independent		2.2	3.7	0.9	5.6	2.8	3.6	1.1	5.0
New (marked *)		2.2	3.7	0.8	5.8	2.7	3.7	0.7	4.7
City		2.2	3.7	0.8	6.0	3.0	3.7	0.8	4.7
Range of Forecasts made in last 3 months									
Highest		2.7	4.5	2.3	8.4	4.7	4.2	5.0	9.0
Lowest		1.6	2.6	-0.4	2.0	-0.3	2.9	-1.5	3.0
HM Treasury	Mar	2-2½	3¼-4	1¼	4¾-5¼	1.2 - 1.5	3¼-3¾	3¼-3½	7½-8

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts	RPI (Q4)	RPI exc MIPs (Q4)	Average earnings index	Sterling- index(Q4)	month intere rate(Q4,%)	Oil price (\$)	M0 (1998-99)	M4	
City forecasters									
Abn Amro	July	3.3	2.8	5.0	102.2	7.45	16.0	5.0	7.8
Barclays Bank	Aug*	3.5	3.0	5.1	103.0	7.50	15.0	5.0	8.0
Barclays Capital	Aug*	2.8	2.4	4.9	102.0	7.30	-	5.0	6.2
Charterhouse	Aug*	4.5	3.5	5.3	101.6	8.10	-	5.2	6.1
Chase Manhattan	Aug*	3.2	2.8	5.0	102.0	7.60	12.0	6.0	10.0
Credit Lyonnais	July	3.3	2.8	4.8	-	7.25	14.5	-	-
Credit Suisse First Bostc	Aug*	3.0	2.5	4.7	-	7.50	-	6.0	9.0
Daiwa Europe Ltd/DIR	June	3.4	2.6	5.0	102.8	7.75	-	-	-
Deutsche Bank	July	3.6	3.0	5.0	100.3	7.75	14.1	5.9	9.1
Dresdner Kleinwort B	July	2.5	2.5	5.0	101.0	6.80	14.5	-	-
Economic Perspectives	Aug*	3.3	2.8	4.7	103.5	7.25	14.0	5.7	8.5
Goldman Sachs	Aug*	3.6	2.7	5.1	96.0	7.50	15.2	4.5 jk	10.9 jk
Greenwich Natwest	July	3.3	2.6	4.8	103.0	7.58	14.8	-	-
Hermes	Aug*	3.2	2.5	4.9	100.6	7.50	-	-	-
HSBC Econ & Strategy	Aug*	3.1	2.5	4.8	100.0	7.50	16.0	5.5	9.0
J P Morgan	Aug*	3.3	2.9	6.0	97.0	7.50	-	-	-
Lehman Brothers	Aug*	3.2	2.7	5.2	100.7	7.67	14.0	5.4	8.7
Lombard St	Aug*	2.9	2.6	5.6	96.3	7.50	14.0	-	7.3
Merrill Lynch	Aug*	3.2	2.9	5.1	-	7.50	-	5.7	8.0
Morgan Stanley	Aug*	3.5	3.0	4.9	101.6	7.50	-	5.1	8.8
Natwest Group	Aug*	3.0	2.6	5.1	103.0	7.42	14.0	5.5	6.5
Nikko Europe	Aug*	3.3	2.6	5.1	100.0	7.50	-	5.5	8.0
Norwich Union IM	Aug*	3.2	2.7	5.0	102.8	7.25	13.0	6.0	7.0
Panmure Gordon	Aug*	2.8	2.4	5.1	103.4	7.60	-	5.7	9.2
Salomon Brothers	Aug*	2.9	2.2	5.1	102.0	7.70	15.0	-	-
Schroders	July	3.2	2.8	5.0	102.0	7.50	-	-	-
Societe Generale	June	-	2.8	4.7	102.0	7.00	15.0	6.5	10.0
Warburg Dillon Read	Aug*	3.0	2.5	5.0	-	7.65	-	5.5	8.8
Williams de Broe	Aug*	2.9	2.4	5.0	104.3	7.30	14.0	4.7	9.5
Non-City forecasters									
BSL	Aug*	3.4	2.8	4.7	99.4	7.50	15.8	-	-
Cambridge Econ	June	3.4 k	2.8 k	4.9	102.2 k	7.30 ks	15.2	-	-
CBI	May	2.7	2.4	4.6	99.1	7.00 s	16.4	-	-
CEBR	July	3.7	3.8	5.0	106.2	7.97	12.7	-	-
DRI	July	2.7	2.6	4.7	103.5	7.51	14.0	5.9	8.7
EIU	June	3.5	2.8	4.9	100.2	7.30	15.6	-	-
Henley	May	2.3	2.3	4.2	-	6.90	-	6.4	8.8
ITEM Club	Aug*	3.5	2.8	5.1	101.3	7.40	14.5	6.2	8.2
LBS	Aug*	3.0	2.8	4.8	102.5	7.50 s	13.9	-	-
Liverpool Univ	July	2.9	2.5	5.3	101.1	7.90	-	-	-
NIESR	July	2.9	2.1	4.8	104.6	7.90	15.3	4.1	10.9
OEF	Aug*	3.5	2.8	5.0	102.0	7.50	13.6	4.9	9.1
WEFA	Aug*	3.1	2.5	4.9	-	7.67	-	-	-
EC	May	2.2	-	4.6	-	-	-	-	-
OECD	June	-	-	-	-	7.20	14.4	-	-
IMF	Jan	-	2.7	4.9i	-	-	19.0	-	-
Average of Forecasts made in last 3 months									
Independent		3.2	2.7	5.0	101.6	7.51	14.4	5.5	8.5
New (marked *)		3.2	2.7	5.0	101.1	7.52	14.3	5.5	8.3
City		3.2	2.7	5.0	101.3	7.48	14.4	5.5	8.4
Range of Forecasts made in last 3 months									
Highest		4.5	3.8	6.0	106.2	8.10	16.0	6.5	10.9
Lowest		2.5	2.1	4.7	96.0	6.80	12.0	4.1	6.1
HM Treasury	Mar	-	2¾	-	-	-	-	-	-

Other variables

Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecast	RPDI	Employment	Claimant unemployment	Industrial production	Manufacturing output	World Trade	Current account (£ bn)	PSNCR (£bn 98-9)	PSNB (£bn 98-99)
			(Q4-mns)						
City forecasters									
Abn Amro	July	1.9	1.0	1.35	0.2	-0.4	5.4	-6.9	-2.0
Barclays Bank	Aug*	2.6	1.5	1.40	-	-0.5	-	-10.0	2.0
Barclays Capital	Aug*	2.4	1.6	1.46	-0.8	-0.7	-	-9.4	1.0
Charterhouse	Aug*	2.8	1.9	1.26	-0.1	0.0	-	-10.1	-5.3
Chase Manhattan	Aug*	0.8	0.6	1.30	-0.5	-0.5	-	-8.0	0.0
Credit Lyonnais	July	-	-	1.37	0.5	-0.4	5.5	-9.9	-0.3
Credit Suisse First Boston	Aug*	3.0	1.0	1.40	0.0	-0.5	-	-6.0	-3.5
Daiwa Europe Ltd/DIR	June	2.1	0.8	1.40	-	-	-	-7.2	2.0
Deutsche Bank	July	2.7	1.0	1.34	0.1	-0.5	-	-11.5	1.0
Dresdner Kleinwort B	July	1.6	1.8	1.31	0.2	-0.2	-	-9.6	-2.9
Economic Perspectives	Aug*	2.4	0.6	1.40	0.4	-0.5	4.0	-10.0	7.0
Goldman Sachs	Aug*	1.9	1.0	1.40	-0.3	-0.8	-	-9.8	3.3
Greenwich Natwest	July	1.2	1.1	1.86 aa	0.3	-0.2	5.2	-10.4	-2.0
Hermes	Aug*	2.6	1.2	1.40	0.0	-0.3	-	-10.0	1.0
HSBC Econ & Strategy	Aug*	3.0	1.0	1.30	-0.5	-0.5	4.1	-12.0	-1.0
J P Morgan	Aug*	2.5	0.8	1.40	-0.8	-0.8	-	-11.0	-5.0
Lehman Brothers	Aug*	2.7	1.2	1.40	0.8	-0.4	6.0	-8.5	-2.0
Lombard St	Aug*	2.7	1.1	1.50	-	-	-	-13.8	-2.0
Merrill Lynch	Aug*	-	-	1.30	-	-0.1	-	-9.0	-1.0
Morgan Stanley	Aug*	2.0	1.3	1.40	-0.2	-0.4	-	-11.0	-1.0
Natwest Group	Aug*	1.4	1.6	1.39	0.7	-0.2	6.0	-5.8	3.0
Nikko Europe	Aug*	2.5	0.7	1.35	1.0	0.0	-	-8.0	0.0
Norwich Union IM	Aug*	2.5	0.5	1.40	0.7	0.0	-	-10.0	2.0
Panmure Gordon	Aug*	2.1	1.1	1.41	-0.9	-0.6	-	-10.0	7.0
Salomon Brothers	Aug*	1.5	1.6	1.40	0.3	-0.2	-	-13.9	3.0
Schroders	July	1.8	1.5	1.37	-	-0.3	6.0	-10.3	-4.0
Societe Generale	June	2.5	1.0	1.30	0.1	-0.2	5.0	-8.0	0.0
Warburg Dillon Read	Aug*	3.0	0.8	1.40	-0.2	-0.6	-	-7.6	-
Williams de Broe	Aug*	-	1.2	1.42	-0.2	-0.4	6.0	-7.0	-0.7
Non-City forecasters									
BSL	Aug*	2.5	1.5	1.28	-0.9	-1.4	6.6	-10.3	0.7
Cambridge Econ	June	2.4	1.5	1.40 k	-0.3	-0.5	3.7	-4.2	12.5 k
CBI	May	3.2	1.5	1.20	0.2	0.3	7.3	-8.8	-
CEBR	July	1.4	1.7	1.36	-	-0.7	-	-5.7	-1.7
DRI	July	3.0	1.2	1.38	1.0	0.9	6.6	-9.5	3.0
EIU	June	2.5	0.7	1.32	0.8	0.5	7.1	-2.9	1.3
Henley	May	2.3	0.8	1.44	-	0.3	-	-6.4	3.8
ITEM Club	Aug*	2.4	1.3	1.36	-	0.2	6.6	-6.4	-2.6
LBS	Aug*	2.9	1.3	1.35	-	-0.6	-	-8.0	1.3
Liverpool Univ	July	-	-	1.28	-	-	-	-5.8	-9.3
NIESR	July	1.6	1.5	1.35	-	-0.4	5.5	-10.9	1.2
OEF	Aug*	2.6	1.2	1.30	-0.1	-0.5	7.8	-10.6	-1.3
WEFA	Aug*	2.4	1.4	1.31	0.3	0.0	-	-8.4	-5.5
EC	May	2.7	0.6	1.56	0.8	0.8	7.1	-9.7	-
OECD	June	-	0.5	-	-	1.8	7.6	-1.0 g	-0.8 g
IMF	Jan	-	0.9	-	-	-	-	-1.2 g	-0.6 g
Average of Forecasts made in last 3 months									
Independent		2.3	1.2	1.36	0.1	-0.3	5.8	-8.9	-0.3
New (marked *)		2.4	1.2	1.37	-0.1	-0.4	5.9	-9.4	0.0
City		2.2	1.1	1.38	0.0	-0.4	5.3	-9.5	0.0
Range of Forecasts made in last 3 months									
Highest		3.0	1.9	1.50	1.0	1.8	7.8	-2.9	7.0
Lowest		0.8	0.5	1.26	-0.9	-1.4	3.7	-13.9	-9.3
HM Treasury	Mar	2-2½	-	-	-	0-½	7	-6½	2.3

GDP & its components, at constant prices

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		GDP	Consumers' expenditure	Government expenditure	Fixed investment	Stockbuilding (£bn)	Domestic demand	Exports (goods & services)	Imports
City forecasters									
Abn Amro	July	1.8	2.3	0.8	4.3	2.9	2.3	4.8	5.7
Barclays Bank	Aug*	1.2	2.5	1.7	2.0	1.1	2.0	3.0	5.0
Barclays Capital	Aug*	1.3	1.7	2.2	2.3	2.2	1.7	3.1	3.8
Charterhouse	Aug*	2.5	2.1	0.8	5.7	1.6	2.3	5.7	5.5
Chase Manhattan	Aug*	0.9	1.7	2.1	1.4	1.5	1.4	1.1	2.6
Credit Lyonnais	July	1.4	2.7	2.2	2.7	2.1	-	3.8	4.4
Credit Suisse First Boston	Aug*	1.3	2.3	0.8	2.2	1.7	1.8	5.4	6.4
Daiwa Europe Ltd/DIR	June	2.1	2.3	1.7	1.5	3.6	1.9	5.4	4.7
Deutsche Bank	July	1.7	2.5	1.7	2.7	0.5	1.9	3.0	3.2
Dresdner Kleinwort B	July	1.1	1.4	2.5	2.9	1.8	1.6	3.9	5.1
Economic Perspectives	Aug*	0.8	2.3	2.5	5.0	1.0	2.5	-1.0	3.0
Goldman Sachs	Aug*	0.5	1.9	2.3	1.3	-1.5	1.3	1.6	3.6
Greenwich Natwest	July	1.8	1.7	2.3	2.6	1.0	1.8	4.1	4.0
Hermes	Aug*	1.6	2.2	1.2	2.5	2.0	1.8	3.7	4.4
HSBC Econ & Strategy	Aug*	1.5	1.5	2.0	1.0	0.6	1.5	2.0	2.0
J P Morgan	Aug*	0.6	1.5	1.0	2.5	-3.2	0.6	3.0	3.1
Lehman Brothers	Aug*	1.7	2.2	2.3	2.3	0.9	2.0	1.1	1.8
Lombard St	Aug*	1.8	2.3	1.9	0.8	1.4	1.7	4.8	4.1
Merrill Lynch	Aug*	1.5	1.6	2.3	1.7	-	-	4.5	4.0
Morgan Stanley	Aug*	1.3	2.3	1.2	2.2	3.1	2.1	3.2	4.5
Natwest Group	Aug*	1.5	1.7	0.8	1.1	1.5	1.3	4.1	3.3
Nikko Europe	Aug*	2.0	2.4	0.9	4.3	2.4	2.5	4.2	5.2
Norwich Union IM	Aug*	1.6	1.9	1.3	2.6	1.8	1.7	2.4	2.5
Panmure Gordon	Aug*	1.3	2.3	2.7	2.7	1.9	2.2	1.4	4.2
Salomon Brothers	Aug*	1.3	3.1	2.4	2.7	0.9	2.5	4.7	8.1
Schroders	July	0.8	1.7	1.6	0.8	2.1	1.2	2.8	3.7
Societe Generale	June	1.5	2.1	2.2	3.6	1.6	2.2	3.3	4.2
Warburg Dillon Read	Aug*	1.0	1.7	1.2	2.6	-	1.4	3.6	3.2
Williams de Broe	Aug*	1.5	2.5	2.3	3.0	1.8	2.3	2.2	4.2
Non-City forecasters									
BSL	Aug*	1.3	0.8	1.4	-2.0	0.0	-0.2	6.5	1.8
Cambridge Econ	June	1.6	1.6	0.9	0.9	1.0	1.2	3.5	2.9
CBI	May	2.1	1.9	1.3	2.0	2.5	1.8	3.3	2.3
CEBR	July	1.8	2.9	2.7	4.4	3.0	3.1	1.3	4.9
DRI	July	2.5	1.5	3.4	3.4	2.1	2.1	5.5	4.1
EIU	June	1.7	2.1	1.2	3.2	3.2	1.8	5.8	5.9
Henley	May	1.5	2.0	1.3	2.3	1.6	2.3	4.0	4.0
ITEM Club	Aug*	1.5	2.2	1.9	2.3	0.1	2.3	4.4	6.1
LBS	Aug*	1.3	2.2	1.4	2.5	1.1	1.8	3.1	4.5
Liverpool Univ	July	2.5	2.1 c	3.0 d	2.5 e	-	2.4	-	-
NIESR	July	1.5	1.6	4.3	2.2	1.5	2.0	2.5	3.8
OEF	Aug*	1.7	2.4	1.2	1.8	3.8	2.1	5.2	5.9
WEFA	Aug*	2.0	2.5	1.9	0.3	1.7	1.9	5.6	4.6
EC	May	2.2	2.5	1.4	4.4	2.0 g	2.6	4.7	5.9
OECD	June	1.8	2.1	1.2	3.5	-	2.2	4.8	5.7
IMF	Jan	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months									
Independent		1.5	2.1	1.8	2.4	1.5	1.9	3.6	4.2
New (marked *)		1.4	2.1	1.7	2.2	1.2	1.8	3.4	4.1
City		1.4	2.1	1.8	2.5	1.4	1.8	3.3	4.1
Range of Forecasts made in last 3 months									
Highest		2.5	3.1	4.3	5.7	3.8	3.1	6.5	8.1
Lowest		0.5	0.8	0.8	-2.0	-3.2	-0.2	-1.0	1.8
HM Treasury	Mar	1¾-2¼	1¾-2¼	2	2¾-3¼	2.4 - 3.4	2¼-2¾	4½-5	5½-6

1999

August 1998

Table 5

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts	RPI (Q4)	RPI exc MIPs (Q4)	Average earnings	Sterling3- index(Q4)	month intere rate(Q4,%)	Oil price (\$)	M0 (1999-00)	M4	
City forecasters									
Abn Amro	July	3.3	3.2	4.8	95.5	7.45	17.5	3.9	5.2
Barclays Bank	Aug*	1.4	2.6	4.7	92.0	5.50	15.5	4.0	5.0
Barclays Capital	Aug*	2.1	2.5	4.1	96.5	6.30	-	4.0	4.5
Charterhouse	Aug*	2.8	3.1	5.2	97.7	7.90	-	4.5	8.0
Chase Manhattan	Aug*	2.3	2.5	4.2	98.0	7.20	12.0	3.0	8.0
Credit Lyonnais	July	2.2	2.5	4.3	-	6.50	16.5	-	-
Credit Suisse First Bosto	Aug*	2.3	2.5	4.3	-	6.50	-	5.0	9.0
Daiwa Europe Ltd/DIR	June	1.9	2.0	4.8	99.4	6.75	-	-	-
Deutsche Bank	July	2.4	2.8	4.8	91.3	7.00	16.0	5.0	6.5
Dresdner Kleinwort B	July	2.1	2.4	4.2	99.7	6.20	16.0	-	-
Economic Perspectives	Aug*	2.3	2.0	3.8	96.0	5.50	15.5	4.5	6.5
Goldman Sachs	Aug*	2.8	2.8	5.0	94.0	6.50	16.9	4 jk	10.6 jk
Greenwich Natwest	July	2.0	2.5	4.3	101.0	6.58	17.0	-	-
Hermes	Aug*	2.2	2.3	4.7	95.0	6.50	-	-	-
HSBC Econ & Strategy	Aug*	1.9	2.4	4.0	93.2	6.50	17.0	6.0	7.0
J P Morgan	Aug*	2.9	3.2	5.5	85.0	6.20	-	-	-
Lehman Brothers	Aug*	1.6	2.4	4.9	98.0	6.44	16.0	5.0	6.9
Lombard St	Aug*	2.8	3.1	5.4	92.5	7.10	15.5	-	4.7
Merrill Lynch	Aug*	2.6	2.9	5.1	-	7.00	-	5.0	6.5
Morgan Stanley	Aug*	2.6	2.8	4.4	97.6	7.00	-	4.1	7.5
Natwest Group	Aug*	2.0	2.5	4.4	95.9	6.05	15.0	5.4	5.9
Nikko Europe	Aug*	2.5	2.7	4.5	95.0	6.50	-	5.0	8.0
Norwich Union IM	Aug*	2.1	2.6	4.5	100.6	6.00	14.0	4.0	5.0
Panmure Gordon	Aug*	2.0	2.2	4.7	95.9	7.00	-	4.5	7.8
Salomon Brothers	Aug*	2.3	2.5	5.1	98.0	7.10	15.0	-	-
Schroders	July	2.4	2.7	4.6	99.0	6.75	-	-	-
Societe Generale	June	-	2.5	4.4	98.0	6.00	16.0	6.0	9.0
Warburg Dillon Read	Aug*	1.4	2.2	4.0	-	6.15	-	4.1	5.9
Williams de Broe	Aug*	1.6	2.0	4.4	103.3	6.50	14.0	3.8	11.9
Non-City forecasters									
BSL	aug*	3.0	2.9	3.9	96.4	7.20	16.9	-	-
Cambridge Econ	June	2.4 k	2.8 k	4.3	96.9 k	6.30 ks	17.1	-	-
CBI	May	2.2	2.5	4.6	95.0	6.25 s	18.0	-	-
CEBR	July	2.6	2.6	5.9	101.5	7.00	12.0	-	-
DRI	July	2.2	2.5	4.5	95.9	6.95	15.5	5.4	6.9
EIU	June	2.9	2.6	4.7	96.5	6.30	16.7	-	-
Henley	May	2.3	2.4	4.0	-	6.40	-	6.2	6.8
ITEM Club	aug*	2.3	2.5	4.4	99.8	6.80	16.3	4.4	4.8
LBS	aug*	2.0	2.3	4.3	95.7	6.25	15.4	-	-
Liverpool Univ	July	2.2	2.5	4.3	96.0	7.20	-	-	-
NIESR	July	2.5	2.5	4.2	100.2	7.00	16.4	1.8	13.5
OEF	aug*	2.4	2.6	5.2	97.4	6.50	15.2	4.5	10.7
WEFA	aug*	2.2	2.6	4.4	-	6.92	-	-	-
EC	May	2.2	-	4.1	-	-	-	-	-
OECD	June	-	-	-	-	5.70	15.2	-	-
IMF	Jan	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months									
Independent		2.3	2.6	4.6	96.7	6.61	15.6	4.5	7.3
New (marked *)		2.2	2.6	4.6	96.1	6.58	15.3	4.5	7.0
City		2.2	2.6	4.6	96.3	6.57	15.6	4.6	6.9
Range of Forecasts made in last 3 months									
Highest		3.3	3.2	5.9	103.3	7.90	17.5	6.0	13.5
Lowest		1.4	2.0	3.8	85.0	5.50	12.0	1.8	4.5
HM Treasury	Mar	-	2½	-	-	-	-	-	-

1999

August 1998

Table 6

Other variables

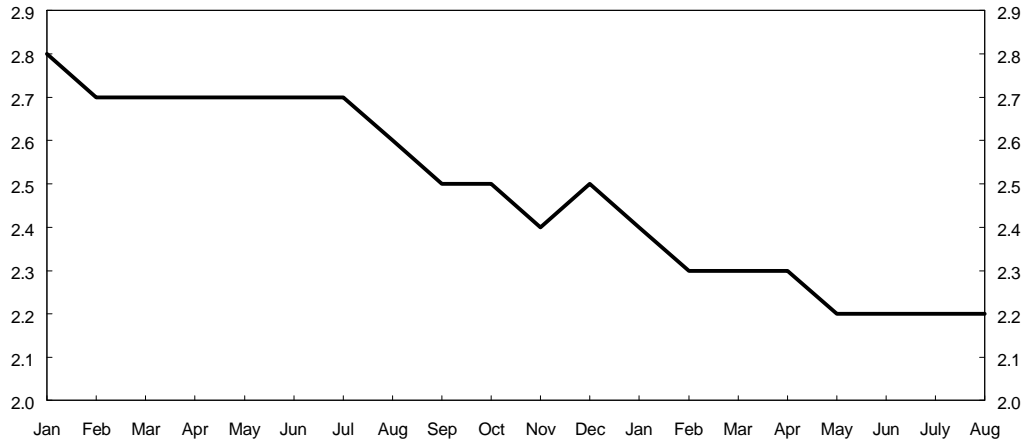
Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RPDI	Employment	Claimant unemp (Q4-mns)	Industrial Manuf'g production	Manuf'g output	World Trade	Current account (£ bn)	PSNCR (£ bn 99-00)	PSNB (£ bn 99-00)
City forecasters										
Abn Amro Hoare Govett	July	2.5	0.2	1.49	0.9	0.4	6.3	-10.2	-1.8	
Barclays Bank	Aug*	2.1	0.0	1.60	-	-0.5	-	-15.0	5.0	-
Barclays Capital	Aug*	1.8	-0.3	1.50	0.9	0.9	-	-6.7	6.0	-
Charterhouse	Aug*	2.6	0.6	1.29	2.5	2.4	-	-9.5	-7.2	-
Chase Manhattan	Aug*	1.2	-0.3	1.60	-1.0	-1.0	-	-14.0	5.0	-
Credit Lyonnais	July	-	-	1.50	1.8	0.9	6.5	-11.2	1.2	
Credit Suisse First Boston	Aug*	2.8	0.0	1.50	0.0	0.0	-	-6.0	-3.5	
Daiwa Europe Ltd/DIR	June	2.5	-0.7	1.50	-	-	-	-2.0	1.0	
Deutsche Bank	July	2.0	-0.5	1.55	0.7	0.3	-	-12.5	3.0	
Dresdner Kleinwort B	July	1.0	-0.2	1.42	0.1	-0.5	-	-7.9	1.1	-3.2
Economic Perspectives	Aug*	1.3	-0.4	1.62	0.8	0.8	2.5	-15.0	12.0	-
Goldman Sachs	Aug*	1.8	-1.4	1.73	-1.1	-1.8	-	-13.9	10.8	10.8
Greenwich Natwest	July	1.6	0.0	1.86 aa	1.2	1.0	5.4	-8.5	0.0	-
Hermes	Aug*	2.1	0.0	1.50	1.3	1.6	-	-10.0	3.0	-
HSBC Econ & Strategy	Aug*	2.0	0.0	1.40	0.5	0.5	4.5	-12.0	-2.0	-2.0
J P Morgan	Aug*	1.5	-0.7	1.75	-3.4	-3.4	-	-12.5	0.0	-
Lehman Brothers	Aug*	2.3	0.3	1.50	1.5	1.0	7.0	-7.5	7.0	-
Lombard St	Aug*	2.4	0.0	1.70	-	-	-	-13.6	1.0	-
Merrill Lynch	Aug*	-	-	1.50	-	1.3	-	-9.0	1.0	-
Morgan Stanley	Aug*	1.5	0.0	1.60	-0.9	-0.7	-	-11.0	2.0	-
Natwest Group	Aug*	2.6	0.7	1.47	2.0	1.3	6.5	-6.6	6.0	6.0
Nikko Europe	Aug*	2.0	0.0	1.50	1.5	1.5	-	-12.0	0.0	-
Norwich Union IM	Aug*	1.5	0.0	1.50	1.0	1.0	-	-7.0	10.0	-
Panmure Gordon	Aug*	2.0	-0.4	1.53	-1.6	-1.8	-	-1.6	-8.0	-
Salomon Brothers	Aug*	2.2	0.7	1.50	0.0	0.0	-	-26.4	6.0	-
Schroders	July	1.9	-0.2	1.50	-	0.1	5.8	-11.8	-3.0	
Societe Generale	June	2.0	-0.2	1.45	0.7	0.6	5.5	-10.0	0.0	
Warburg Dillon Read	Aug*	1.8	0.2	1.70	0.9	0.8	-	-4.0	-	7.4
Williams de Broe	Aug*	-	-0.6	1.68	-0.1	-0.2	4.7	-8.4	0.2	0.2
Non-City forecasters										
BSL	Aug*	2.0	-0.2	1.44	0.6	0.7	4.2	-2.2	6.5	6.5
Cambridge Econ	June	1.8	-0.1	1.50 k	1.5	1.0	3.6	-8.7	1.8 k	-
CBI	May	3.0	0.2	1.26	2.1	2.0	7.1	-5.8	-	-
CEBR	July	2.8	0.0	1.52	-	2.0	-	-8.7	1.5	
DRI	July	1.3	0.4	1.62	3.8	4.7	6.0	-8.5	2.4	
EIU	June	1.9	0.2	1.43	0.7	0.9	7.2	-6.0	0.5	
Henley	May	2.2	-1.0	1.56	-	1.5	-	-8.1	5.5	
ITEM Club	Aug*	2.0	-0.1	1.47	-	0.1	7.4	-11.1	-7.0	
LBS	Aug*	2.9	0.1	1.46	-	-0.8	-	-10.4	2.9	
Liverpool Univ	July	-	-	1.12	-	-	-	-6.3	-14.5	
NIESR	July	1.5	0.3	1.35	-	1.3	5.7	-11.8	9.1	9.1
OEF	Aug*	2.3	-0.3	1.40	-0.1	-0.2	6.9	-10.9	0.0	-
WEFA	Aug*	2.6	0.4	1.33	1.5	1.5	-	-9.0	-7.0	-
EC	May	2.5	0.5	1.40	1.4	1.2	7.8	-13.8	-	
OECD	June	-	0.0	-	-	2.0	7.5	-1.3 g	-0.4	-
IMF	Jan	-	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months										
Independent		2.0	-0.1	1.51	0.6	0.5	5.7	-9.7	1.3	4.4
New (marked *)		2.1	-0.1	1.53	0.3	0.2	5.5	-10.2	2.0	
City		2.0	-0.1	1.54	0.4	0.2	5.5	-10.2	2.0	3.2
Range of Forecasts made in last 3 months										
Highest		2.9	0.7	1.75	3.8	4.7	7.5	-1.6	12.0	10.8
Lowest		1.0	-1.4	1.12	-3.4	-3.4	2.5	-26.4	-14.5	-3.2
HM Treasury	Mar	1¼-1¾	-	-	-	1-1½	7	-6¾	3.1	-

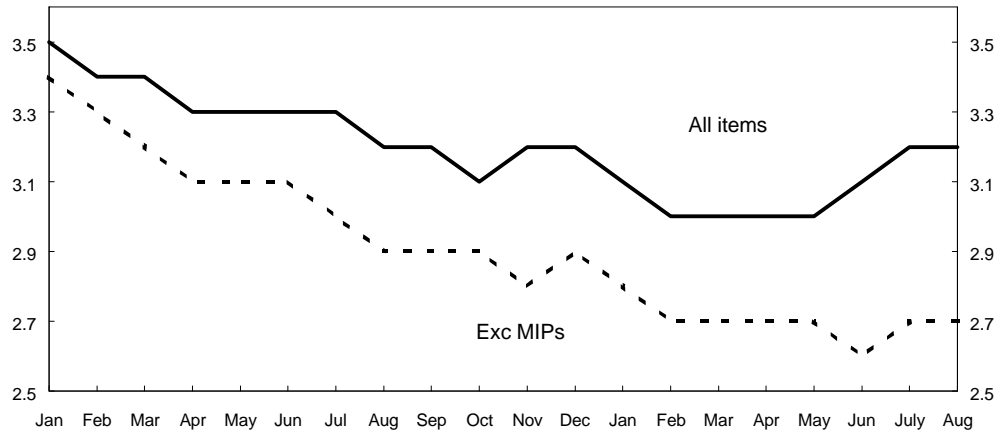
Forecasts for 1998

Independent average, January 1997 - August 1998

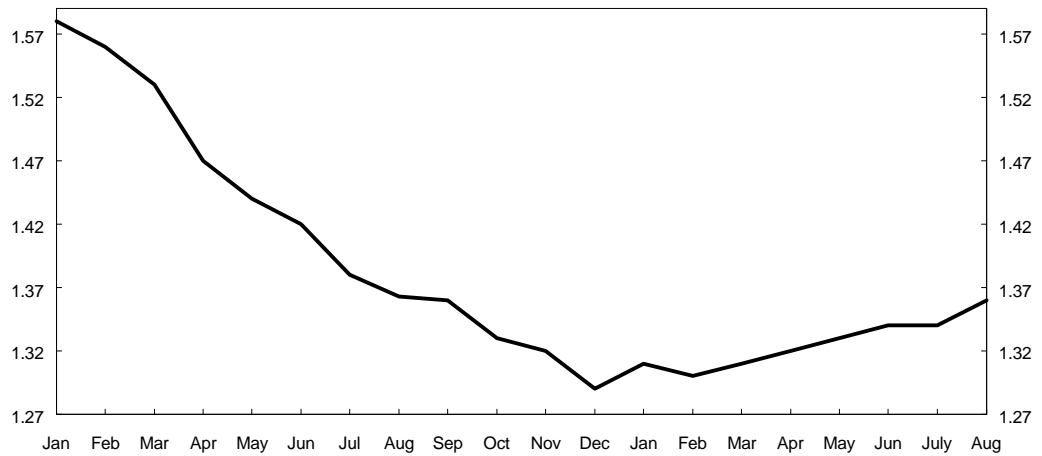
GDP growth
(per cent)



Retail price
inflation
(Q4, per cent)



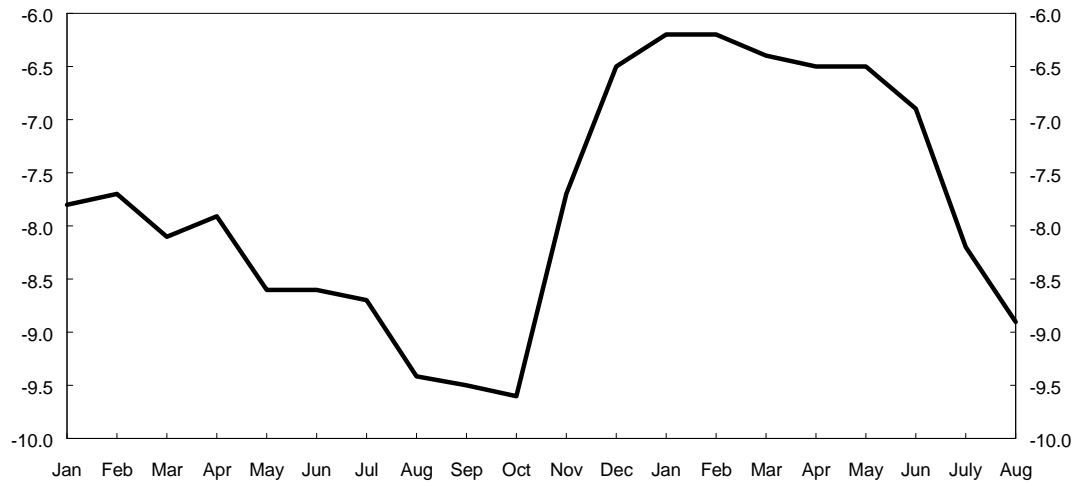
Claimant
unemployment
(Q4, millions)



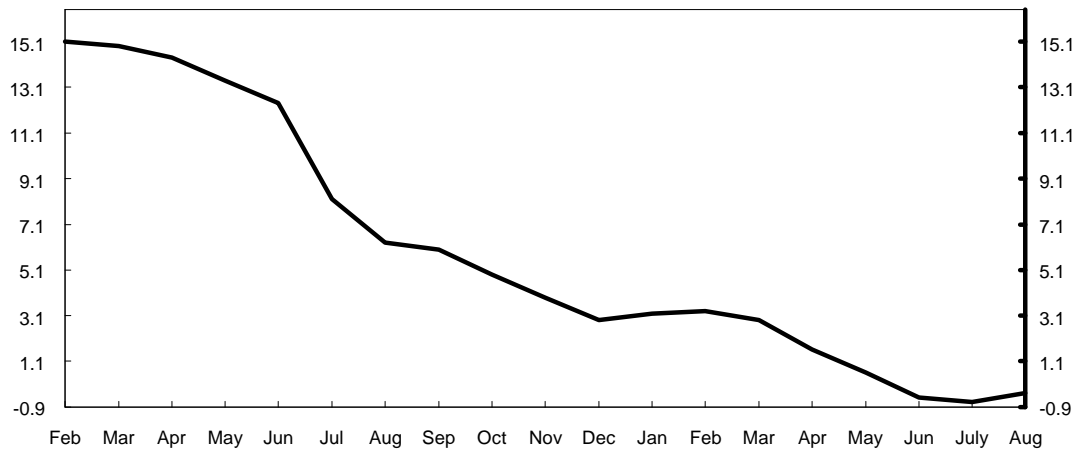
Forecasts for 1998

Independent average, January 1997 - August 1998

Current account
(£ billion)



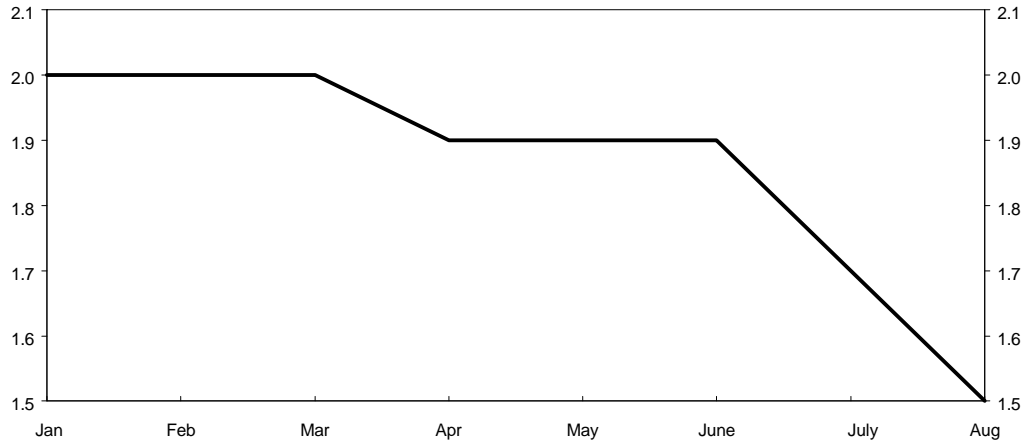
PSNCR 1998-99
(£ billion)



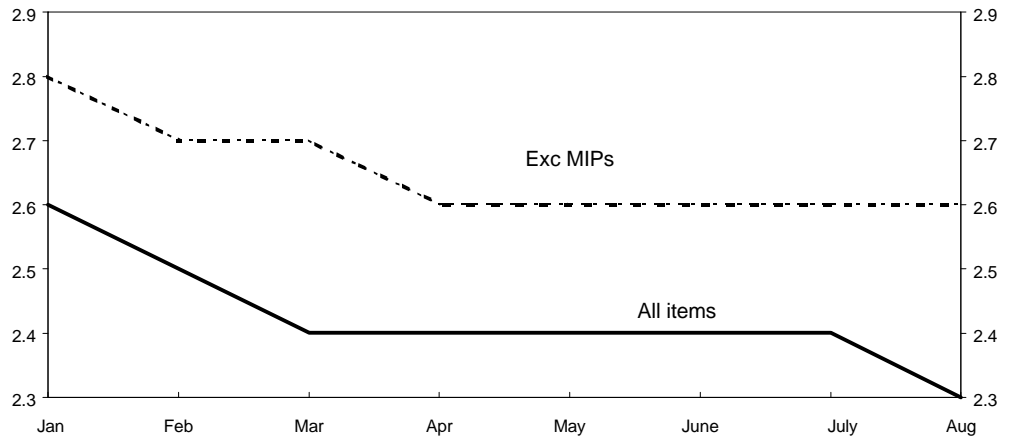
Forecasts for 1999

Independent average, January 1998 - August 1998

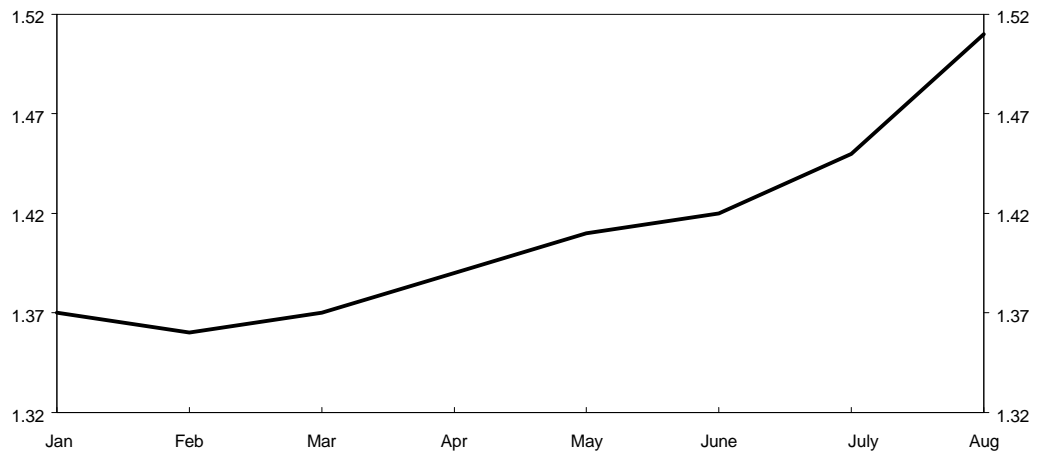
GDP growth
(per cent)



Retail price
inflation
(Q4, per cent)

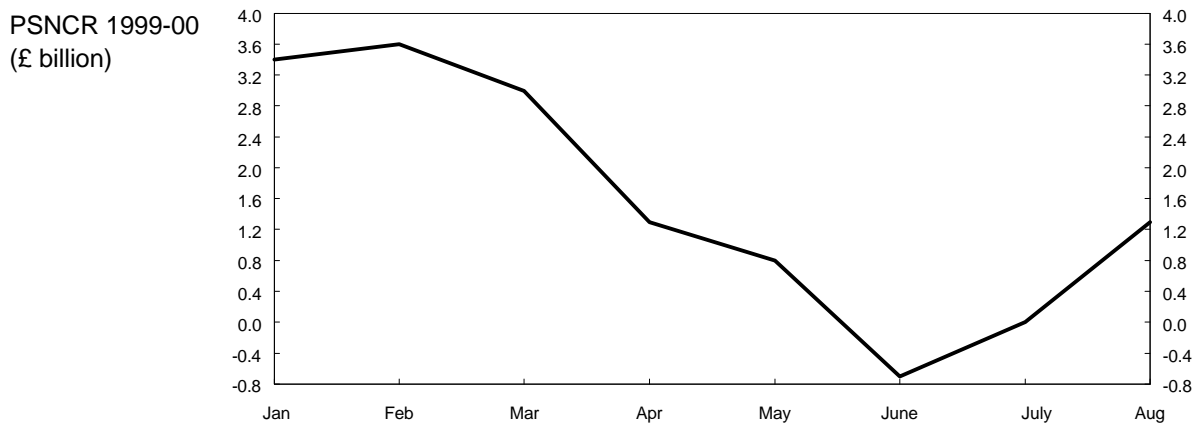
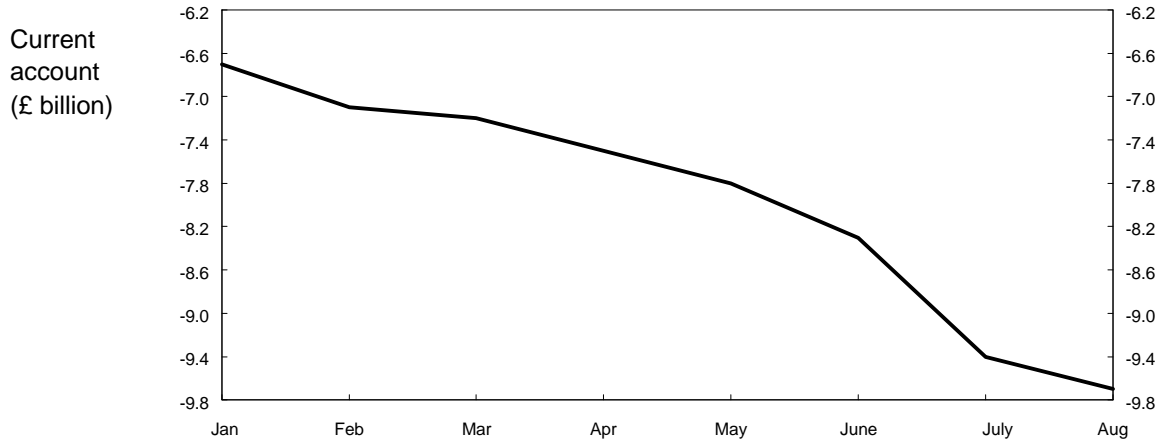


Claimant
unemployment
(Q4, millions)



Forecasts for 1999

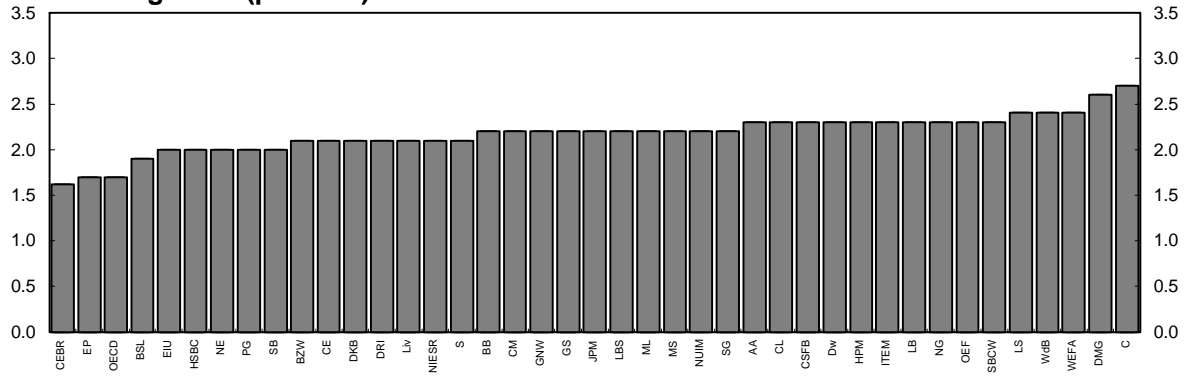
Independent average, January 1998 - August 1998



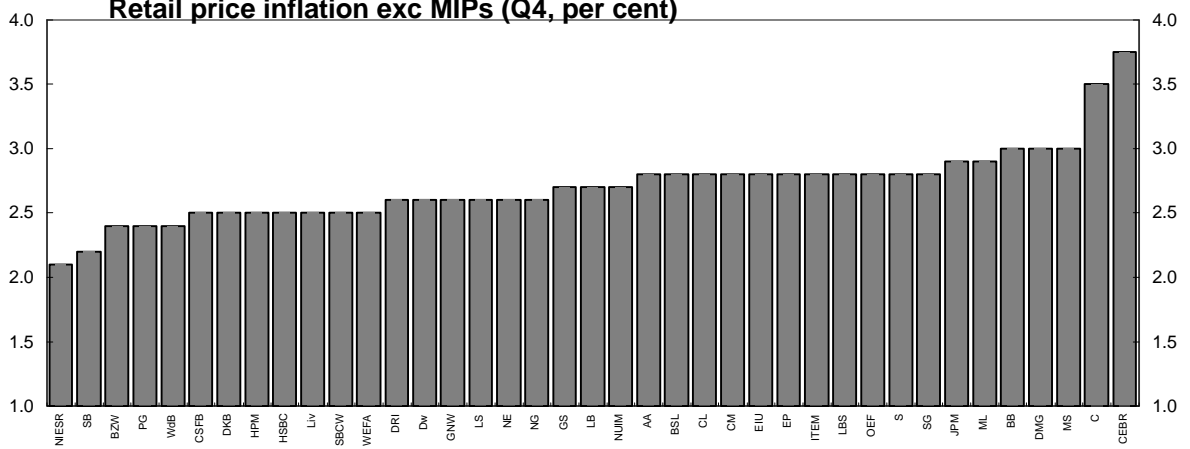
Forecasts for 1998

August 1998, range of forecasts (made in last 3 months)

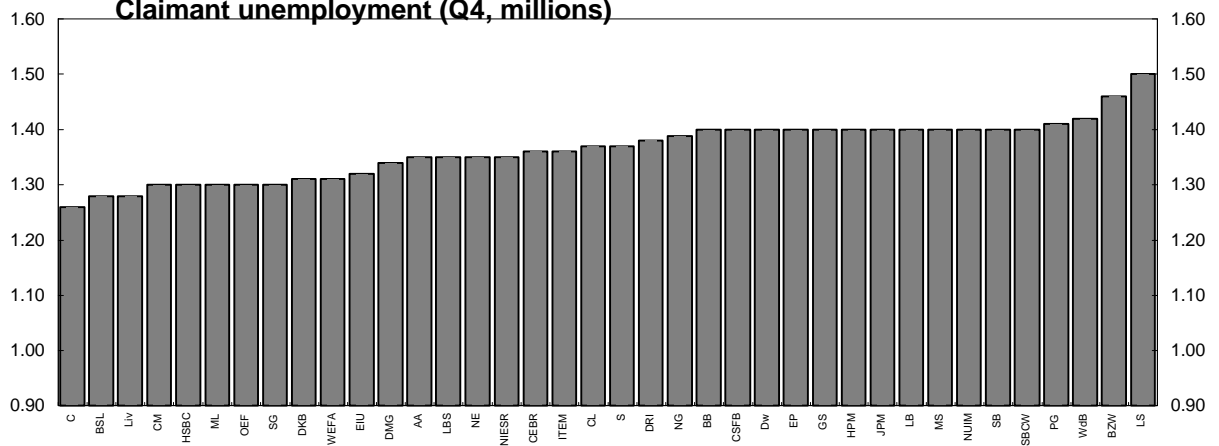
GDP growth (per cent)



Retail price inflation exc MIPs (Q4, per cent)



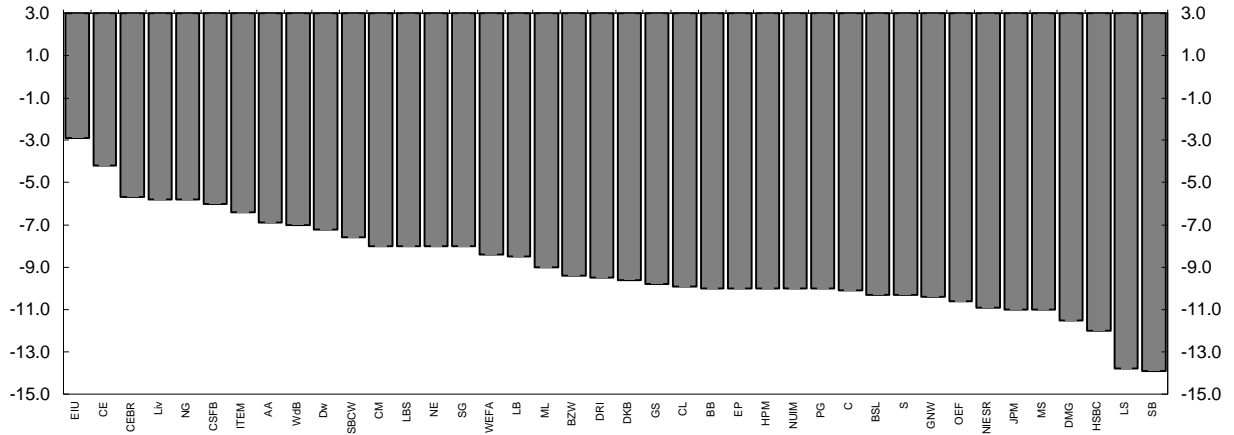
Claimant unemployment (Q4, millions)



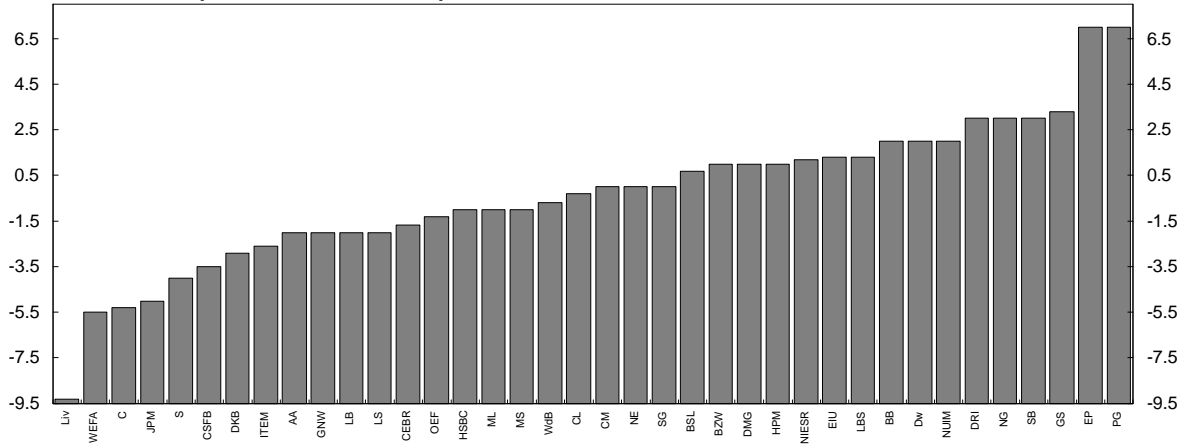
Forecasts for 1998

August 1998, range of forecasts (made in last 3 months)

Current account (£ billion)



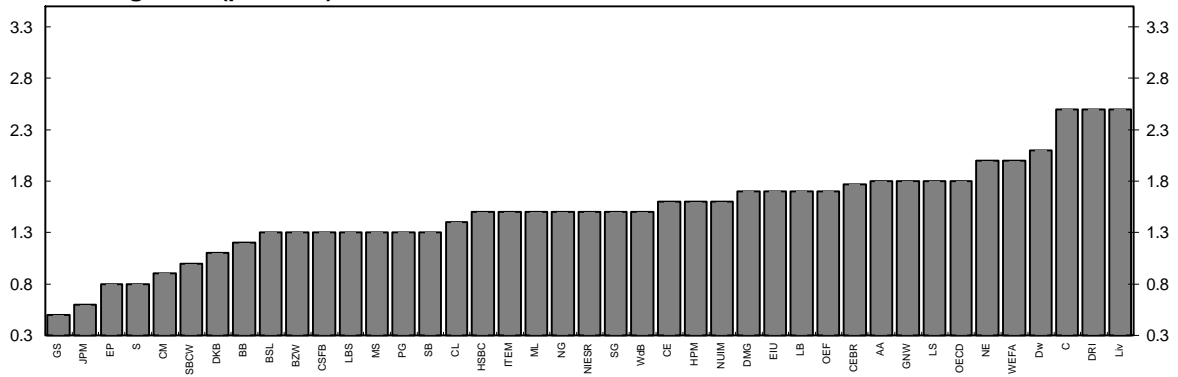
PSNCR (1998 - 99, £ billion)



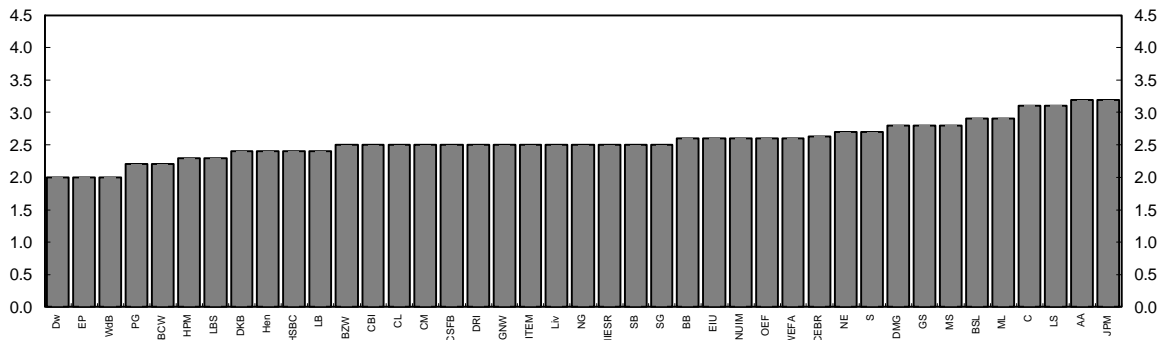
Forecasts for 1999

August 1998, range of forecasts (made in last 3months)

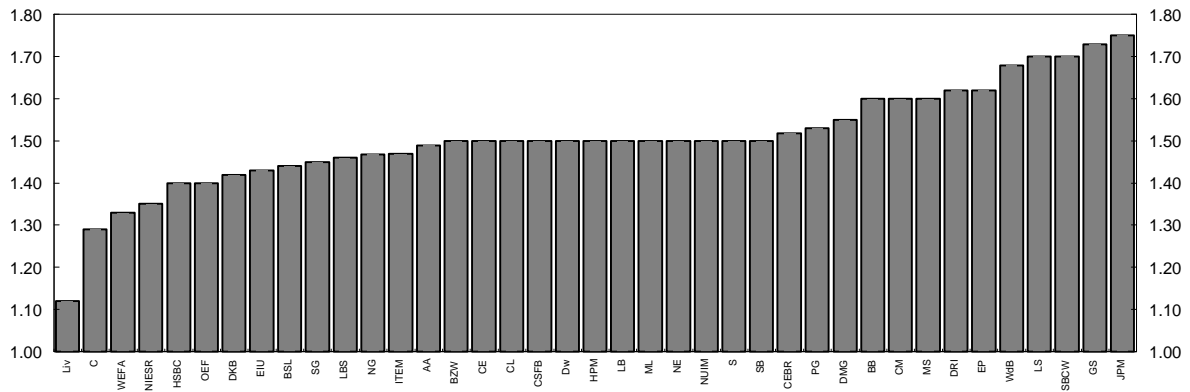
GDP growth (per cent)



Retail price inflation exc MIPs (Q4, per cent)

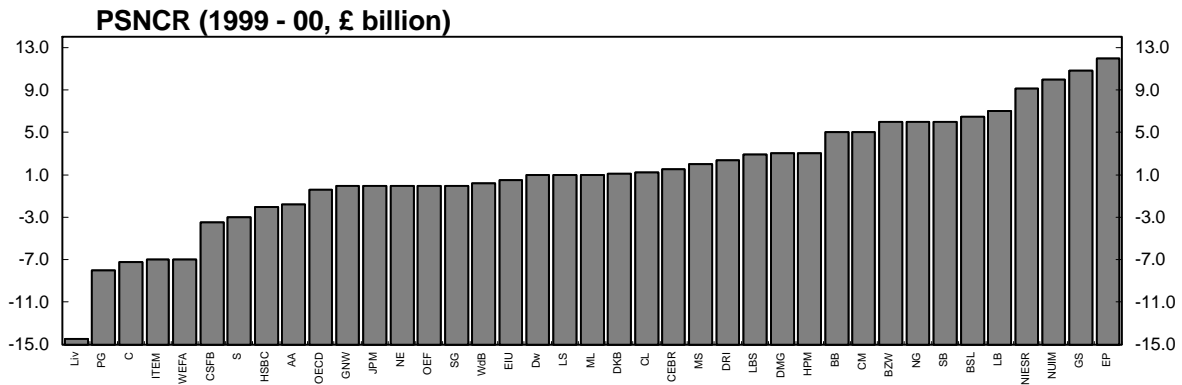
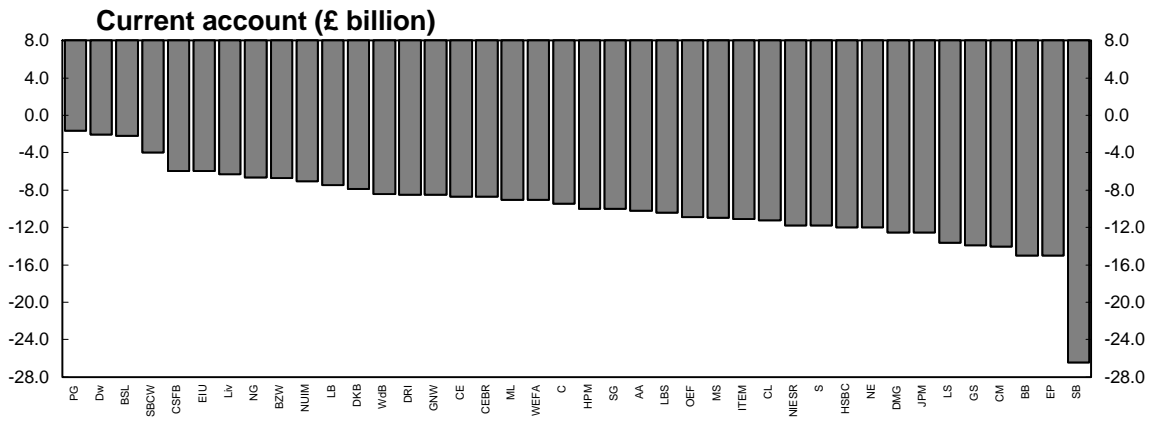


Claimant unemployment (Q4, millions)



Forecasts for 1999

August 1998, range of forecasts (made in last 3 months)



Medium-term projections, August 1998

This edition of the comparison contains medium-term projections from 16 forecasters, for the calendar years 1998 to 2002, and the fiscal years 1998-99 to 2001-02. The table below summarises the independent average, which is the average of medium-term projections made in the last three months.

	Independent average				
	1998	1999	2000	2001	2002
GDP growth (per cent)	2.2	1.4	2.3	2.6	2.5
Inflation rate (per cent)					
-RPI	3.5	2.5	2.2	2.5	2.6
-RPI excMIPS	2.8	2.6	2.5	2.5	2.6
Claimant unemployment (mn)	1.38	1.49	1.58	1.59	1.56
Current account (£bn)	-8.6	-8.9	-7.8	-8.1	-9.1
	1998-99	1999-00	2000-01	2001-02	
PSNCR (FY; £bn)	1.0	2.4	3.3	3.0	
(Public Sector Net Cash Requirement)					

GDP (Percentage change)					Non-oil GDP (Percentage change)					
1998	1999	2000	2001	2002		1998	1999	2000	2001	2002
City forecasters										
2.2	1.2	2.2	3.0	3.0	Barclays	2.2	1.2	2.2	3.0	3.0
2.3	2.1	2.8	2.5	2.3	Daiwa Europe Ltd	-	-	-	-	-
2.1	1.1	2.3	2.8	2.6	Dresdner Kleinwort B	2.1	1.0	2.3	2.8	2.6
2.2	1.8	2.3	-	-	Greenwich Natwest	2.2	1.7	2.3	-	-
2.2	0.5	2.4	2.2	-	Goldman Sachs	-	-	-	-	-
2.3	1.5	2.3	3.2	3.0	Natwest Group	2.3	1.4	2.3	3.2	3.0
2.1	0.8	1.8	2.6	2.7	Schroders	2.1	0.6	1.7	2.5	2.7
2.3	1.0	1.6	2.7	-	Warburg Dillon Read	-	-	-	-	-
2.4	1.5	1.7	1.7	1.8	Williams de Broe	2.4	1.4	1.7	1.7	1.8
Non-City forecasters										
1.9	1.3	2.9	2.4	2.6	BSL	1.9	1.3	3.0	2.5	2.6
2.1	1.6	1.9	2.4	2.4	Cambridge Econ.	2.1	1.4	2.0	2.5	2.8
2.1	2.4	3.1	2.6	2.8	DRI	1.9	2.6	3.0	2.7	3.0
2.3	1.5	2.0	2.4	2.2	Item Club	2.2	1.5	2.1	2.5	2.3
2.2	1.3	2.2	2.6	2.4	LBS	2.3	1.4	2.3	2.7	2.5
2.1	1.5	2.6	2.8	2.4	NIESR	2.1	1.5	2.6	2.8	2.4
2.3	1.7	2.6	2.9	2.3	OEF	2.3	1.7	2.8	2.9	2.4
2.2	1.4	2.3	2.6	2.5	Independent average	2.2	1.4	2.3	2.7	2.6
2.4	2.4	3.1	3.2	3.0	Highest	2.4	2.6	3.0	3.2	3.0
1.9	0.5	1.6	1.7	1.8	Lowest	1.9	0.6	1.7	1.7	1.8

RPI inflation (Per cent)					RPI excluding MIPs inflation (Per cent)					
1998	1999	2000	2001	2002		1998	1999	2000	2001	2002
City forecasters										
3.6	2.4	1.7	2.6	3.2	Barclays	2.8	2.8	2.5	2.3	2.8
3.6	2.3	2.0	2.5	2.8	Daiwa Europe Ltd	2.8	2.0	2.3	2.5	2.6
3.3	2.2	2.0	2.1	2.2	Dresdner Kleinwort B	2.6	2.5	2.3	2.1	2.1
3.6	2.3	2.0	-	-	Greenwich Natwest	2.7	2.4	2.2	-	-
-	-	-	-	-	Goldman Sachs	2.7	3.2	2.7	2.5	-
3.4	2.4	2.3	2.9	2.4	Natwest Group	2.7	2.7	2.6	2.6	2.5
3.5	2.8	2.3	2.6	2.4	Schroders	2.8	2.8	2.5	2.6	2.6
3.6	1.9	2.3	2.5	-	Warburg Dillon Read	2.8	2.3	2.5	2.5	-
3.4	2.0	2.0	2.0	2.8	Williams de Broe	2.7	2.2	2.3	2.9	3.2
Non-City forecasters										
3.6	3.3	2.5	1.2	1.9	BSL	2.9	3.1	2.5	2.1	2.3
3.4	2.4	2.3	2.9	2.7	Cambridge Econ.	2.8	2.8	2.5	2.2	2.4
3.3	2.3	2.2	2.5	2.7	DRI	2.8	2.5	2.5	2.5	2.6
3.6	2.6	2.5	3.0	3.3	Item Club	2.7	2.6	2.6	2.8	3.0
3.4	2.4	2.4	2.6	2.4	LBS	2.8	2.5	2.4	2.5	2.5
3.5	2.7	2.4	2.2	2.3	NIESR	2.6	2.3	2.6	2.5	2.2
3.6	2.8	2.4	2.7	2.8	OEF	2.8	2.6	2.7	2.6	2.6
3.5	2.5	2.2	2.5	2.6	Independent average	2.8	2.6	2.5	2.5	2.6
3.6	3.3	2.5	3.0	3.3	Highest	2.9	3.2	2.7	2.9	3.2
3.3	1.9	1.7	1.2	1.9	Lowest	2.6	2.0	2.2	2.1	2.1

PSNCR (£ billion)					PSNCR (Per cent of money GDP)			
1998-99	1999-00	2000-01	2001-02		1998-99	1999-00	2000-01	2001-02
City forecasters								
2.0	5.0	10.0	10.0	Barclays	0.2	0.6	1.0	1.0
2.0	1.0	-3.0	-2.0	Daiwa Europe Ltd	0.2	0.1	-0.3	-0.2
-2.9	1.1	3.8	0.5	Dresdner Kleinwort B	-0.4	0.1	0.4	0.1
-2.0	1.0	0.0	-	Greenwich Natwest	-	-	-	-
2.8	7.7	8.9	9.4	Goldman Sachs	-	-	-	-
3.0	6.0	8.0	7.0	Natwest Group	0.4	0.7	0.9	0.7
-4.0	-3.0	0.0	3.0	Schroders	-0.5	-0.4	0	0.3
-	-	-	-	Warburg Dillon Read	-	-	-	-
-0.7	0.2	0.1	2.1	Williams de Broe	-0.1	0.0	0.0	0.3
Non-City forecasters								
0.7	6.5	6.6	7.7	BSL	0.1	0.8	0.7	0.8
12.5 k	1.8 k	2.4 k	2.0 k	Cambridge Econ.	1.6 k	0.2 k	0.3 k	0.20 k
3.1	2.5	3.4	2.8	DRI	0.4	0.3	0.4	0.3
-2.1	-6.3	-8.6	-8.8	Item Club	-	-	-	-
1.3	2.9	3.6	2.2	LBS	0.2	0.3	0.4	0.2
1.2	9.1	13.1	11.6	NIESR	0.1	1.0	1.4	1.2
-1.3	0.0	1.5	-6.3	OEF	-0.2	0.0	0.2	-0.6
1.0	2.4	3.3	3.0	Independent average	0.2	0.4	0.6	0.4
12.5	9.1	13.1	11.6	Highest	1.6	1.0	1.4	1.2
-4.0	-6.3	-8.6	-8.8	Lowest	-0.4	0.0	0.2	-0.6

Sterling Index (1990 = 100)					Interest rate (Per cent)					
1998	1999	2000	2001	2002		1998	1999	2000	2001	2002
City forecasters										
-	-	-	-	-	Barclays	7.60	6.50	5.00	5.50	6.50
104.6	100.7	96.0	92.4	91.3	Daiwa Europe Ltd	7.50	7.10	6.50	6.50	6.25
103.4	99.1	101.7	100.0	98.5	Dresdner Kleinwort B	7.50	6.60	6.10	6.00	5.80
105.0	102.0	100.0	-	-	Greenwich Natwest	7.50	7.00	6.20	-	-
98.0	94.0	94.0	94.0	-	Goldman Sachs	7.30 r	6.80 r	6.80 r	6.80 r	-
103.0 j	95.9 j	95.8 j	95.7 j	95.5 j	Natwest Group	7.53	6.56	6.01	6.45	6.00
101.0	97.0	95.0	94.0	93.0	Schroders	7.40	7.10	6.50	6.50	6.00
-	-	-	-	-	warburg Dillon Read	7.70	6.60	6.20	6.20	-
105.0	103.7	100.8	95.0	89.4	Williams de Broe	7.40	6.80	6.40	6.50	6.40
Non-City forecasters										
103.1	97.2	95.5	93.8	92.2	BSL	7.40	7.30	6.80	5.00	4.50
102.2	96.9	92.3	90.3	90.3	Cambridge Econ.	7.30 s	6.30 s	5.50 s	6.00 s	6.00 s
106.4	97.8	95.6	94.1	92.9	DRI	7.54	7.14	6.29	6.13	5.84
104.3	99.8	95.8	95.0	95.0	Item Club	7.50	7.00	6.50	6.50	6.50
104.7	97.5	94.7	93.9	93.3	LBS	7.50	6.63	6.00	5.90	5.60
105.2	101.7	98.2	96.7	96.9	NIESR	7.70	7.30	6.30	5.40	5.20
104.7	98.7	95.2	92.4	91.3	OEF	7.60	6.90	6.30	6.30	5.40
104.1	99.0	96.9	94.1	93.1	Independent average	7.51	6.86	6.17	6.07	5.83
106.4	102.0	101.7	100.0	98.5	Highest	7.7	7.3	6.8	6.5	6.5
102.2	96.9	92.3	90.3	90.3	Lowest	7.3	6.3	5.0	5.0	4.5

Domestic Demand (Percentage change)					Contribution of net trade to GDP growth (Per cent)					
1998	1999	2000	2001	2002		1998	1999	2000	2001	2002
City forecasters										
4.1	2.0	1.5	2.7	3.2	Barclays	-1.9	-0.8	0.7	0.3	-0.2
3.5	1.9	2.6	2.4	2.2	Daiwa Europe Ltd	-1.2	0.2	0.2	0.1	0.1
3.4	1.6	2.5	3.1	3.0	Dresdner Kleinwort B	-1.1	-0.5	-0.2	-0.3	-0.4
3.6	1.8	2.2	-	-	Greenwich Natwest	-1.4	0.0	0.1	-	-
-	-	-	-	-	Goldman Sachs	-	-	-	-	-
3.6	1.3	2.4	3.0	2.8	Natwest Group	-1.3	0.2	-0.1	0.2	0.2
3.5	1.2	1.8	2.5	2.5	Schroders	-1.4	-0.6	0.0	0.1	0.2
3.8	1.4	1.6	3.0	-	Warburg Dillon Read	-1.4	-0.5	0.0	-0.2	-
4.2	2.3	2.3	1.8	1.6	Williams de Broe	-1.8	-0.9	-0.7	-0.1	0.2
Non-City forecasters										
3.3	-0.2	2.5	2.8	3.3	BSL	-1.5	1.6	0.5	-0.3	-0.6
2.9	1.2	1.8	2.2	2.4	Cambridge Econ.	-1.0	0.1	-0.2	0.0	-0.2
3.7	2.1	3.2	2.2	2.6	DRI	-1.8	0.3	-0.2	0.4	0.2
3.9	2.2	1.8	2.2	2.2	Item Club	-1.4	-0.8	0.1	0.2	0.0
3.5	1.8	2.6	2.8	2.7	LBS	-1.5	-0.6	-0.4	-0.2	0.0
3.8	2.0	2.3	2.3	1.9	NIESR	-1.7	-0.5	0.3	0.5	0.5
3.7	2.1	2.4	2.4	2.2	OEF	-1.7	-0.4	0.3	0.5	0.1
3.6	1.6	2.2	2.5	2.5	Independent average	-1.5	-0.2	0.0	0.1	0.0
4.2	2.3	3.2	3.1	3.3	Highest	-1.0	1.6	0.7	0.5	0.5
2.9	-0.2	1.5	1.8	1.6	Lowest	-1.9	-0.9	-0.7	-0.3	-0.4

Current Account (£ billion)					Current Account (Per cent of money GDP)					
1998	1999	2000	2001	2002		1998	1999	2000	2001	2002
City forecasters										
-10.0	-15.0	-7.0	-6.0	-6.0	Barclays	-1.4	-2.0	-0.9	-0.7	-0.7
-7.2	-2.0	0.6	-4.7	-4.3	Daiwa Europe Ltd	-0.9	-0.2	0.1	-0.5	-0.4
-9.6	-7.9	-11.2	-14.9	-18.6	Dresdner Kleinwort B	-1.2	-0.9	-1.3	-1.6	-1.9
-10.4	-8.5	-7.9	-	-	Greenwich Natwest	-1.3	-1.0	-0.9	-	-
-9.8	-13.9	-10.0	-10.8	-	Goldman Sachs	-1.2	-1.6	-1.1	-1.2	-
-5.8	-6.6	-7.8	-9.2	-10.1	Natwest Group	0.7	0.8	0.9	1.0	1.0
-10.3	-11.8	-10.0	-10.0	-10.0	Schroders	-1.3	-1.4	-1.0	-0.9	-0.9
-7.6	-4.0	-2.0	-3.0	-	Warburg Dillon Read	-0.9	-0.5	-0.2	-0.3	-
-7.0	-8.4	-13.9	-19.1	-21.2	Williams de Broe	-0.9	-0.9	-1.5	-2.0	-2.1
Non-City forecasters										
-10.3	-2.2	-0.3	-2.5	-7.3	BSL	-1.3	-0.3	0.0	-0.3	-0.7
-4.2	-8.7	-9.7	-10.6	-12.3	Cambridge Econ.	-0.5	-1.0	-1.1	-1.1	-1.2
-9.5	-8.5	-6.8	-3.5	-2.9	DRI	-1.2	-1.0	-0.8	-0.4	-0.3
-6.4	-11.1	-10.8	-7.9	-6.2	Item Club	-0.8	-1.3	-1.2	-0.8	-0.6
-8.0	-10.4	-8.8	-5.0	-8.0	LBS	-1.0	-1.2	-1.0	-0.5	-0.5
-10.9	-11.8	-10.6	-8.6	-5.8	NIESR	-1.3	-1.4	-1.2	-0.9	-0.6
-10.6	-10.9	-8.9	-6.0	-5.7	OEF	-1.3	-1.3	-1.0	-0.6	-0.6
-8.6	-8.9	-7.8	-8.1	-9.1	Independent average	-1.0	-1.0	-0.8	-0.7	-0.7
-4.2	-2.0	0.6	-2.5	-2.9	Highest	0.7	0.8	0.9	1.0	1.0
-10.9	-15.0	-13.9	-19.1	-21.2	Lowest	-1.4	-2.0	-1.5	-2.0	-2.1

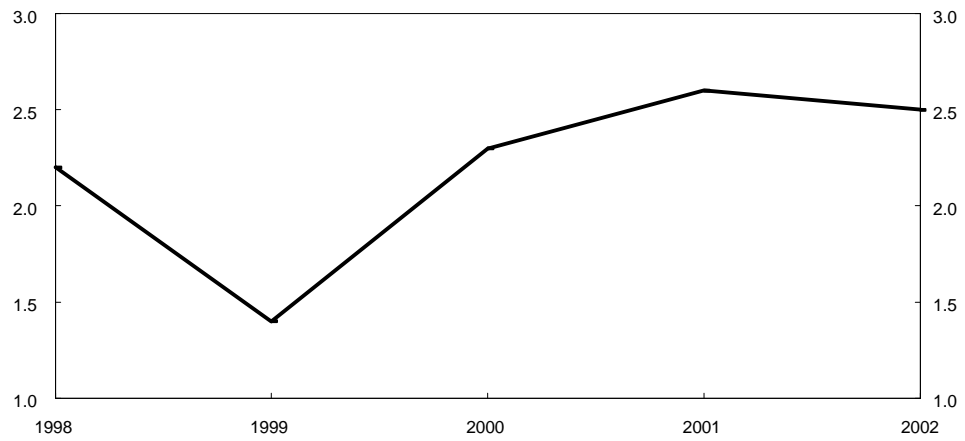
Claimant unemployment (million)					GDP deflator (Percentage change)				
1998	1999	2000	2001	2002		1998-99	1999-0	2000-01	2001-02
City forecasters									
1.38	1.50	1.70	1.75	1.60	Barclays	-	-	-	-
1.40	1.50	1.60	1.60	1.60	Daiwa Europe Ltd	2.1	2.6	2.7	2.5
1.34	1.37	1.49	1.38	1.31	Dresdner Kleinwort B	2.3	2.2	2.6	2.9
6.40	aa 6.50	aa 6.30	aa -	-	Greenwich Natwest	2.4	2.7	2.3	-
1.40	1.73	1.83	1.88	-	Goldman Sachs	1.9 k	2.8 k	2.5 k	2.5 k
1.40	1.47	1.44	1.40	1.35	Natwest Group	2.2	2.7	2.6	2.6
1.37	1.44	1.46	1.45	1.40	Schroders	2.7	2.6	2.5	2.5
1.40	1.70	1.60	1.40	-	Warburg Dillon Read	1.3	0.9	1.1	1.3
1.38	1.58	1.81	1.95	2.02	Williams de Broe	2.3	2.0	3.0	3.6
Non-City forecasters									
1.33	1.38	1.46	1.49	1.41	BSL	2.8	1.9	1.9	2.3
1.40	1.50	1.60	1.50	1.50	Cambridge Econ.	2.5 k	2.1 k	2.6 k	2.3 k
1.37	1.50	1.67	1.92	1.93	DRI	2.1	1.6	1.9	2.4
1.40	1.50	1.60	1.80	1.90	Item Club	3.1	2.4	2.1	2.6
1.37	1.42	1.48	1.41	1.35	LBS	3.2	2.4	3.4	3.5
1.40	1.30	1.40	1.30	1.30	NIESR	2.7 k	2.7 k	2.3 k	2.2 k
1.40	1.40	1.60	1.60	1.60	OEF	2.2	2.7	2.7	2.6
1.38	1.49	1.58	1.59	1.56	Independent average	2.4	2.2	2.4	2.6
1.40	1.73	1.83	1.95	2.02	Highest	3.20	2.70	3.40	3.60
1.33	1.30	1.40	1.30	1.30	Lowest	1.30	0.90	1.10	1.30

PSNB (£ billion)					PSNB (Per cent of money GDP)			
1998-99	1999-00	2000-01	2001-02		1998-99	1999-00	2000-01	2001-02
City forecasters								
-	-	-	-	Barclays	-	-	-	-
-	-	-	-	Daiwa Europe Ltd	-	-	-	-
0.5	-3.2	-5.2	-2.5	Dresdner Kleinwort B	0.1	-0.4	-0.6	-0.3
-	-	-	-	Greenwich Natwest	-	-	-	-
-	-	-	-	Goldman Sachs	-	-	-	-
1.0	6.0	4.0	2.0	Natwest Group	0.1	0.7	0.4	0.2
-	-	-	-	Schroders	-	-	-	-
0.0	7.4	7.4	2.2	Warburg Dillon read	0.0	0.8	0.8	0.2
-1.4	0.2	0.1	2.1	Williams de Broe	-0.2	0.0	0.0	0.3
Non-City forecasters								
-1.7	-6.5	-6.6	-7.7	BSL	-0.2	-0.8	-0.7	-0.8
- k	- k	- k	- k	Cambridge Econ.	- k	- k	- k	- k
-	-	-	-	DRI	-	-	-	-
-	-	-	-	Item Club	-	-	-	-
-	-	-	-	LBS	-	-	-	-
0.4	9.1	13.1	11.6	NIESR	0.0	1.0	1.4	1.2
-	-	-	-	OEF	-	-	-	-
-0.2	2.2	2.1	1.3	Independent average	0.0	0.3	0.2	0.1
1.0	9.1	13.1	11.6	Highest	0.1	1.0	1.4	1.2
-1.7	-6.5	-6.6	-7.7	Lowest	-0.2	-0.8	-0.7	-0.8

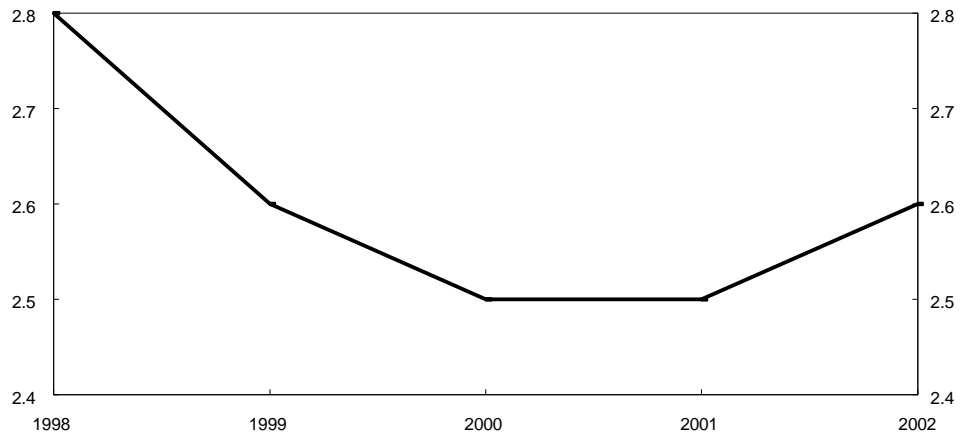
Medium-term projections

Independent average August 1998

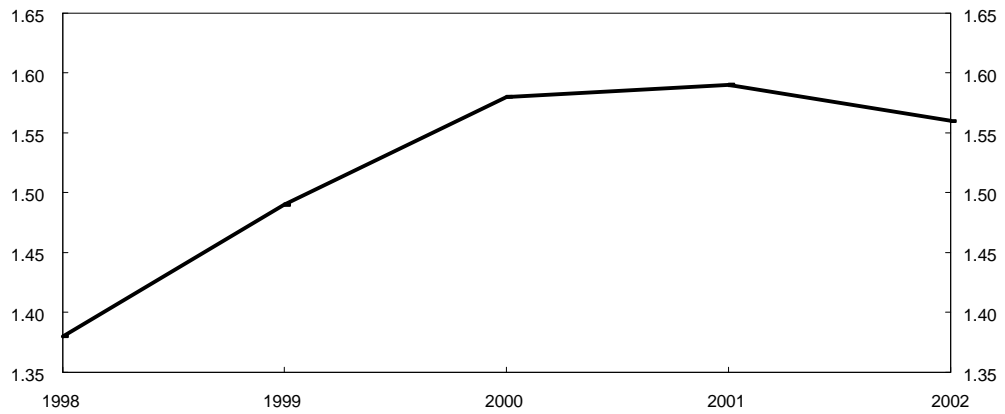
GDP growth
(per cent)



Retail price
inflation
exc MIPs
(per cent)



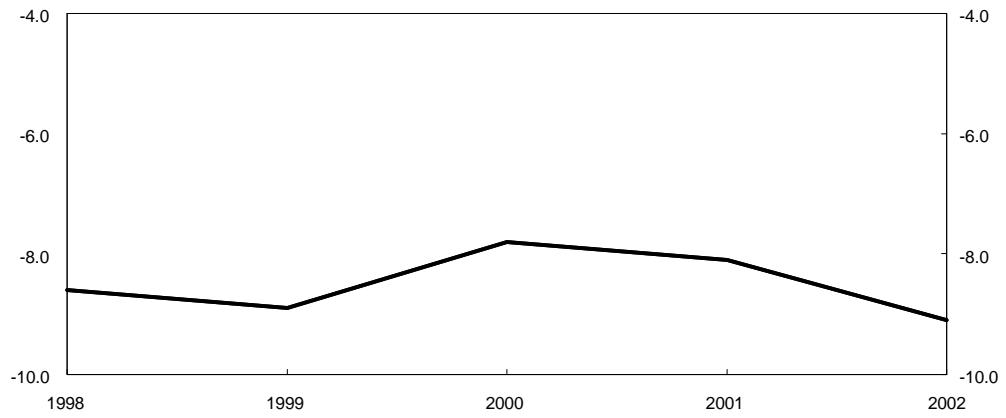
Claimant
unemployment
(millions)



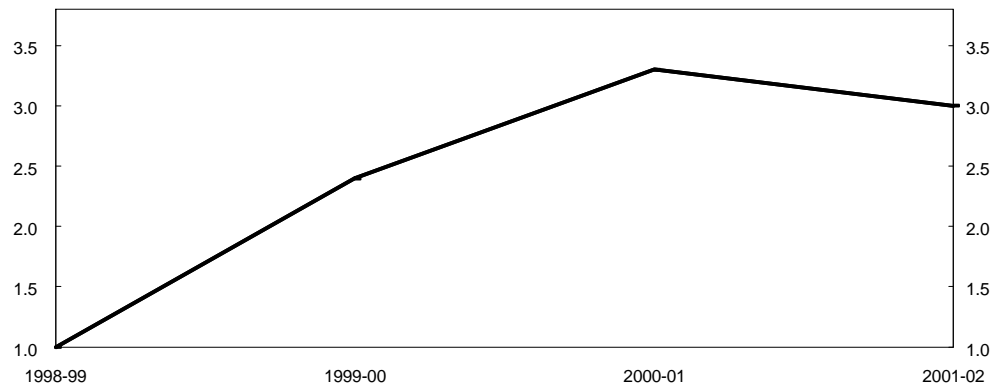
Medium-term projections

Independent average August 1998

Current account
(£ billion)



PSNCR
(£ billion)



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
I M F :	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
LBS:	London Business School
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
PG:	Panmure Gordon
OECD	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
SB:	Saloman Brothers
S:	Schroders
WDR:	Warburg Dillon Read

SG: Societe Generale
WEFA: Wharton Economic Forecasting
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

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CBI	Ranjiv Mann	0171 395 8101
	Sudhir Junankar	0171 395 8100
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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	Merli Baroudi	0171 830 1161
Economic Perspectives	Peter Warburton	0171 382 8317
Goldman Sachs	Ann Terry	0171 774 1166
Greenwich Natwest	Geoffrey Dicks	0171 389 3892
Henley Centre	Graeme Leach	0171 353 9961
Hermes Pensions Man. Ltd	James Walsh	0171 680 2144
HSBC	Jonathan Loynes	0171 336 4147
	Roger Bootle	0171 336 3888
ITEM club	John Gaster	0171 931 6678
J P Morgan	David Mackie	0171 325 5040
Lehman Brothers	Mike Dicks	0171 260 2783
Liverpool University	Jon Riley	01222 874 000
Lombard Street Research Ltd	Stewart Robertson	0171 337 2800
London Business School	Paul Robson	0171 262 5050 ext 3797
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
Nikko Europe	Simon Briscoe	0171 976 7484
Norwich Union IM	Sandra Horne	01603 683680
Panmure Gordon	Stuart Weatherby	0171 860 3659
Oxford Economic Forecasting	Adrian Cooper	01865 202 828
Saloman Brothers	Michael Saunders	0171 721 3924
Schroders	David Philpotts	0171 658 6439
Societe Generale	Brian Hilliard	0171 762 5014
Warburg Dillon Read	Darren Winder	0171 568 4412
WEFA	Dixon Hawkins	0171 631 0757
Williams de Broë	David Smith	0171 588 7511 ext 402