

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.

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 Wakefield(0171 270 5503).

The next edition will be published on 19 November 1997. 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, October 1997

This edition of the comparison contains 27 new forecasts. The tables below summarise the average and range of independent forecasts for 1997 and 1998 and show the average of this month's new forecasts.

#### Forecasts for 1997

	Independent <sup>+</sup>				Average of new* forecasts
	Averages		October range		
	October	September	Lowest	Highest	
GDP growth (per cent)	3.4	3.4	3	3.9	3.5
Inflation rate (Q4: per cent)					
- RPI	3.3	3.2	2.5	4.7	3.3
- RPI exc MIPs	2.5	2.5	2.0	3.6	2.5
Claimant Unemployment (Q4: mn)	1.47	1.49	1.30	1.70	1.45
Current account (£bn)	-2.0	-2.6	-8.8	2.4	-1.5
PSBR (1997-98: £bn)	10.7	11.5	4.4	19.0	10.2

#### Forecasts for 1998

	Independent <sup>+</sup>				Average of new* forecasts
	Averages		October range		
	October	September	Lowest	Highest	
GDP growth (per cent)	2.5	2.5	1.7	3.6	2.5
Inflation rate (Q4: per cent)					
- RPI	3.1	3.2	1.8	4.4	3.2
- RPI exc MIPs	2.9	2.9	2.1	3.8	2.9
Claimant Unemployment (Q4: mn)	1.33	1.36	0.78	1.59	1.31
Current account (£bn)	-9.6	-9.5	-16.3	-3.9	-9.4
PSBR (1998-99: £bn)	4.9	6.0	0.9	10.5	4.2

<sup>+</sup> Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (October 27 institutions, September 35 institutions, August institutions 33).

\* Based on new forecasts received for the comparison this month  
Note: All the averages exclude non-standard entries (see footnotes a to z)

		1997					September 1997		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	
<b>City forecasters</b>										
Abn Amro Hoare Govett	Sept*	3.5	4.5	0.5	5.0	3.0	3.8	6.5	7.6	
Barclays Bank	Sept*	3.5	4.4	0.6	5.6	1.9	3.7	6.2	6.8	
BZW	Sept*	3.2	3.7	1.5	3.6	2.6	3.2	5.6	5.4	
Charterhouse	Sept*	3.9	4.4	1.0	6.5	2.4	4.0	6.2	7.7	
Chase Manhattan	Sept*	3.3	3.8	1.5	4.9	2.3	3.5	5.0	5.6	
Credit Lyonnais	Sept*	3.4	4.0	0.6	5.4	3.4	3.5	6.4	6.6	
Daiwa Europe Ltd/DIR	Aug	3.4	4.2	1.1	5.0	2.3	3.8	4.8	5.4	
D M Grenfell	Sept*	3.7	4.7	1.0	4.4	3.7	4.0	5.8	6.8	
Dresdner Kleinwort B	Sept*	3.4	4.3	0.4	4.8	3.3	3.9	6.3	7.4	
Economic Perspectives	Sept*	3.1	4.1	0.8	4.3	1.2	3.2	5.7	5.5	
Goldman Sachs	Sept*	3.3	4.7	0.6	3.5	3.4	3.8	6.5	7.4	
Hermes	Sept*	3.3	4.4	0.6	3.5	3.0	3.5	5.3	5.7	
HSBC Econ & Strategy	Sept*	3.5	4.5	1.5	4.5	3.2	4.0	5.5	6.5	
James Capel	Sept*	4.2	5.0	1.3	3.9	5.0	4.4	5.5	6.0	
J P Morgan	Sept*	3.8	4.0	0.5	5.1	3.6	3.9	6.8	7.0	
Lehman Brothers	Aug	3.6	4.7	0.8	4.7	1.3	3.7	6.7	6.9	
Lombard St	Sept*	3.8	4.3	1.3	7.0	5.0	4.6	5.5	8.0	
Merrill Lynch	Aug	3.7	4.8	1.5	5.5	-	-	5.7	6.7	
Morgan Stanley	Aug	3.8	5.5	1.1	6.6	4.1	5.0	3.7	8.1	
Natwest Group	Sept*	3.7	4.8	0.7	4.3	3.1	3.9	5.7	6.5	
Natwest Markets	Sept*	3.3	4.5	0.4	3.5	2.5	3.5	6.9	7.0	
Nikko Europe	Sept*	3.1	3.9	0.4	4.1	1.9	3.1	5.7	5.3	
Norwich Union IM	Sept*	3.7	4.4	0.6	6.5	2.1	3.9	5.4	5.8	
Panmure Gordon	Sept*	3.8	4.8	0.8	4.5	3.1	4.0	4.8	5.0	
Salomon Brothers	Sept*	3.3	4.5	0.5	3.9	2.6	3.6	7.2	7.9	
Schroders	Sept*	3.5	4.4	0.7	6.3	2.5	4.0	5.0	6.5	
Societe Generale	Sept*	3.3	4.5	0.3	3.2	2.7	3.4	5.8	6.2	
S B C Warburg	Sept*	3.7	4.6	1.1	5.2	-	3.9	5.9	6.6	
UBS	Sept*	3.1	4.2	0.9	4.2	1.7	3.4	5.4	6.0	
Williams de Broe	Sept*	3.3	4.5	0.8	3.8	3.7	3.8	4.6	5.9	
<b>Non-City forecasters</b>										
BSL	Sept*	3.3	4.5	0.2	4.6	3.0	3.7	5.7	6.5	
Cambridge Econ	Sept*	3.1	4.1	1.4	4.8	1.3	3.6	5.4	7.0	
CBI	Sept*	3.1	4.7	0.3	6.0	3.1	4.1	4.8	6.8	
CEBR	Sept*	3.4	3.8	1.5	8.7	1.0	4.0	5.0	7.1	
DRI	July	3.4	4.3	1.4	5.7	2.6	4.0	5.7	7.3	
EIU	Sept*	3.2	4.9	1.0	6.0	5.0	4.7	6.0	10.4	
Henley	Sept*	3.6	4.3	0.6	5.2	3.0	4.1	5.1	5.5	
ITEM Club	July	3.1	4.0	1.1	6.8	0.6	3.5	5.2	6.1	
LBS	Sept*	3.3	4.5	0.7	5.8	1.9	3.8	5.7	7.6	
Liverpool Univ	Aug	3.2	3.4 c	-1.6 d	8.8 e	-	3.7	-	-	
NIESR	Sept*	3.0	4.0	0.5	4.4	1.4	3.1	5.2	5.2	
OEF	Sept*	3.4	4.4	0.4	5.4	1.7	3.6	5.9	5.9	
WEFA	Aug	3.1	4.2	0.6	4.6	2.4	3.4	6.1	6.9	
EC	June	2.8	4.2	1.2	5.6	0.3	3.8	5.1	8.0	
OECD	July	3.0	3.8	1.1	4.1	-	3.2	6.0	6.6	
IMF	June	3.3	3.9	2.5	8.2	-	4.3	6.6	7.8	
<b>Average of Forecasts made in last 3 months</b>										
Independent		3.4	4.4	0.8	5.0	2.7	3.8	5.7	6.6	
New (marked *)		3.4	4.4	0.8	4.9	2.8	3.8	5.7	6.6	
City		3.5	4.4	0.8	4.8	2.9	3.8	5.7	6.5	
<b>Range of Forecasts made in last 3 months</b>										
Highest		4.2	5.5	1.5	8.7	5.0	5.0	7.2	10.4	
Lowest		3.0	3.7	0.2	3.2	0.6	3.1	3.7	5.0	
HM Treasury	July	3¼	4½	-¼	5	0 g	3¾	6¼	7¼	

1997 September 1997

Table 2

## Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		RPI	RPI exc	Average	Sterling	Interest	Oil	M0	M4
		(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1997-98)	
<b>City forecasters</b>									
Abn Amro Hoare Govett	Sept*	3.9	2.6	4.7	104.7	7.70	19.5	6.5	10.1
Barclays Bank	Sept*	3.6	2.4	4.5	102.0	7.50	18.5	6.0	10.0
BZW	Sept*	3.3	2.6	4.6	100.0	7.25	-	6.0	11.0
Charterhouse	Sept*	4.6	3.7	5.3	96.6	7.90	-	6.2	10.5
Chase Manhattan	Sept*	3.0	2.7	4.5	101.0	7.20	19.0	6.0	10.0
Credit Lyonnais	Sept*	3.4	2.5	4.7	100.0	7.30	19.0	-	-
Daiwa Europe Ltd/DIR	Aug	2.8	2.5	4.5	99.7	7.00	-	-	-
D M Grenfell	Sept*	3.5	2.5	4.4	96.2	7.40	19.2	6.5	10.2
Dresdner Kleinwort B	Sept*	3.3	2.4	4.2	101.0	7.20	18.0	-	-
Economic Perspectives	Sept*	2.2	1.9	4.2	98.0	7.00	19.5	5.8	10.9
Goldman Sachs	Sept*	3.5	2.3	4.7	100.0	7.50	20.1	5.0 j	11.9 j
Hermes	Sept*	3.2	2.7	4.7	-	7.00	-	-	-
HSBC Econ & Strategy	Sept*	3.4	2.4	4.7	101.2	7.30	19.0	6.0	9.5
James Capel	Sept*	3.6	2.7	5.0	106.7	7.40	19.0	6.7	11.7
J P Morgan	Sept*	2.9	2.0	4.75	-	7.75	-	-	-
Lehman Brothers	Aug	3.3	2.5	5.0	100.0	7.50	20.0	6.0	11.0
Lombard St	Sept*	3.3	2.7	4.8	98.0	7.50	19.0	-	-
Merrill Lynch	Aug	3.1	2.6	4.6	-	7.50	-	-	10.5
Morgan Stanley	Aug	3.2	2.7	4.6	106.2	7.50	-	6.5	11.6
Natwest Group	Sept*	3.5	2.6	4.5	102.0	7.30	19.3	6.0	7.0
Natwest Markets	Sept*	3.3	2.4	4.4	106.0	7.00	20.0	6.0	10.9
Nikko Europe	Sept*	2.8	2.4	4.5	100.0	7.20	-	6.0	10.0
Norwich Union IM	Sept*	3.5	2.6	4.5	103.0	7.50	19.0	6.5	10.0
Panmure Gordon	Sept*	3.0	2.5	4.7	102.5	7.50	-	5.8	11.0
Salomon Brothers	Sept*	3.3	2.3	4.3	101.0	7.00	18.0	-	-
Schroders	Sept*	3.6	2.6	4.6	102.0	7.30	20.0	-	-
Societe Generale	Sept*	-	2.8	4.7	100.0	7.50	19.0	6.5	10.5
S B C Warburg	Sept*	3.5	2.6	4.3	-	7.70	-	7.2	11.4
UBS	Sept*	3.5	2.6	4.5	107.1	7.00	17.5	7.8	10.0
Williams de Broe	Sept*	3.2	2.4	4.5	100.4	7.30	19.2	5.5	10.8
<b>Non-City forecasters</b>									
BSL	Sept*	3.2	2.4	4.0	101.0	7.03	17.6	-	-
Cambridge Econ	Sept*	3.0 k	2.6 k	4.7	97.3 k	6.30 ks	18.4	-	-
CBI	Sept*	2.6	2.3	4.3	104.2	7.00 s	19.0	-	-
CEBR	Sept*	2.0	2.4	4.5	99.2	6.80	-	-	10.9
DRI	July	4.0	3.3	4.7	99.4	7.17	18.6	6.8	10.5
EIU	Sept*	3.0	2.7	4.3	99.5	7.50	18.5	-	-
Henley	Sept*	3.2	2.7	4.6	-	7.50	18.6	-	-
ITEM Club	July	3.2	2.5	4.7	94.7	7.00	19.8	7.3	9.4
LBS	Sept*	2.5	2.0	4.4	98.8	7.00	19.2	4.5	13.2
Liverpool Univ	Aug	3.0	2.4	4.5	102.3	7.10	-	-	-
NIESR	Sept*	3.1	2.0	4.8	101.6	7.00	18.7	5.7 k	11.7 k
OEF	Sept*	3.2	2.1	4.2	103.9	7.20	19.1	6.3	9.5
WEFA	Aug	3.2	2.3	4.6	100.1	6.80	19.5	-	-
EC	June	2.2	2.3	4.2 i	98.5	6.30	20.6	-	-
OECD	July	-	-	-	-	6.30 k	19.0	-	-
IMF	June	-	2.6	4.3 i	-	-	19.7	-	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		3.2	2.5	4.6	101.1	7.28	19.0	6.3	10.5
New (marked *)		3.2	2.5	4.6	101.3	7.31	19.0	6.2	10.5
City		3.3	2.5	4.6	101.4	7.36	19.1	6.3	10.4
<b>Range of Forecasts made in last 3 months</b>									
Highest		4.6	3.7	5.3	107.1	7.90	20.1	7.8	13.2
Lowest		2.0	1.9	4.0	94.7	6.80	17.5	4.5	7.0
HM Treasury	July	-	2½	-	-	-	-	-	-

1997

September 1997

Table 3

## Other variables

Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RPDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf'g output	World Trade	Current account (£ bn)	PSBR (£bn 97-98)
<b>City forecasters</b>									
Abn Amro Hoare Govett	Sept*	2.8	1.4	1.53	1.3	1.5	8.7	-6.1	12.1
Barclays Bank	Sept*	3.1	1.4	1.50	-	1.8	-	-2.0	11.0
BZW	Sept*	2.5	1.3	1.50	1.0	1.5	-	-2.0	11.2
Charterhouse	Sept*	3.5	1.9	1.40	2.3	2.6	-	-4.9	10.1
Chase Manhattan	Sept*	1.1	1.4	1.40	1.8	2.0	-	-4.0	12.0
Credit Lyonnais	Sept*	-	-	1.55	2.6	1.7	7.0	-6.0	12.7
Daiwa Europe Ltd/DIR	Aug	3.4	1.1	1.50	-	-	-	-2.2	11.0
D M Grenfell	Sept*	2.4	1.5	1.44	1.3	1.4	7.0	-3.2	11.0
Dresdner Kleinwort B	Sept*	2.2	1.9	1.42	0.9	1.0	-	0.9	9.9
Economic Perspectives	Sept*	2.8	0.9	1.45	1.6	1.8	5.5	-4.0	15.0
Goldman Sachs	Sept*	2.5	1.4	1.60	1.0	1.1	-	-0.5	10.8
Hermes	Sept*	3.6	1.0	1.50	-	1.5	-	-1.0	8.0
HSBC Econ & Strategy	Sept*	3.7	1.0	1.50	1.0	1.0	6.5	-4.0	10.0
James Capel	Sept*	3.0	1.4	1.40	2.0	1.5	7.2	-7.0	8.0
J P Morgan	Sept*	3.5	1.5	1.52	2.0	2.0	-	2.0	10.0
Lehman Brothers	Aug	3.5	1.3	1.60	2.0	2.0	6.5	1.0	10.0
Lombard St	Sept*	3.2	1.2	1.50	-	-	-	-11.8	8.6
Merrill Lynch	Aug	-	-	1.40	-	2.2	-	-4.0	11.0
Morgan Stanley	Aug	2.5	2.5	1.50	1.5	2.0	5.2	-5.0	10.0
Natwest Group	Sept*	3.7	1.5	1.51	1.4	1.2	7.0	-2.9	10.3
Natwest Markets	Sept*	2.9	1.4	1.46	1.1	1.3	5.8	0.0	11.4
Nikko Europe	Sept*	3.0	1.3	1.40	-	2.0	-	-2.5	14.0
Norwich Union IM	Sept*	3.4	1.0	1.45	1.8	1.5	-	-5.0	10.0
Panmure Gordon	Sept*	2.4	1.6	1.48	1.3	1.5	-	-2.0	13.0
Salomon Brothers	Sept*	1.7	1.1	1.40	1.0	1.4	-	-1.2	7.0
Schroders	Sept*	2.8	1.3	1.70	1.8	1.6	6.6	-4.7	10.6
Societe Generale	Sept*	3.1	1.0	1.45	2.0	1.5	7.5	0.5	11.0
S B C Warburg	Sept*	3.8	-	1.50	-	1.7	-	-7.0	15.0
UBS	Sept*	2.2	1.2	1.58	1.0	1.2	5.8	-5.1	14.9
Williams de Broe	Sept*	-	1.6	1.51	0.7	1.0	7.7	2.1	12.1
<b>Non-City forecasters</b>									
BSL	Sept*	2.5	1.7	1.43	1.2	1.3	6.3	0.1	15.2
Cambridge Econ	Sept*	3.3	1.6	1.70 k	2.2	2.3	3.4	-4.6	13.3 k
CBI	Sept*	2.5	1.7	1.52	1.1	1.3	5.9	-0.1	12.9
CEBR	Sept*	2.1	1.4	1.47	-	2.2	-	-6.2	11.1
DRI	July	2.3	1.7	1.46	2.0	2.7	7.0	2.3	11.8
EIU	Sept*	3.1	1.5	1.60	2.0	1.8	7.5	-3.5	14.2
Henley	Sept*	-	1.6	1.48	-	1.4	-	-4.7	-
ITEM Club	July	3.1	1.4	1.50	-	2.1	8.0	-2.7	11.9
LBS	Sept*	2.4	1.0	1.49	-	1.4	10.4	2.4	10.8
Liverpool Univ	Aug	-	-	1.45	-	-	-	-1.4	11.8
NIESR	Sept*	2.0	1.4	1.47	-	1.1	8.5	-2.0	13.6
OEF	Sept*	2.9	1.2	1.50	1.1	1.4	10.0	-1.0	12.2
WEFA	Aug	3.2	1.6	1.54	1.2	1.4	7.9 w	-3.1	13.7
EC	June	2.7	1.1	-	1.7	-	-	-0.9 g	-2.9 g
OECD	July	-	1.3	-	-	1.9	8.5	0.2	-
IMF	June	-	0.8	-	-	-	-	-0.9 g	-2.1 g
<b>Average of Forecasts made in last 3 months</b>									
Independent		2.8	1.4	1.49	1.5	1.6	7.1	-2.6	11.5
New (marked *)		2.9	1.4	1.49	1.5	1.5	7.1	-3.0	11.5
City		2.9	1.4	1.49	1.5	1.6	6.7	-3.1	11.1
<b>Range of Forecasts made in last 3 months</b>									
Highest		3.8	2.5	1.70	2.6	2.7	10.4	2.4	15.2
Lowest		1.1	0.9	1.40	0.7	1.0	3.4	-11.8	7.0
HM Treasury	July	3	-	-	-	1½	8	-6	10.9

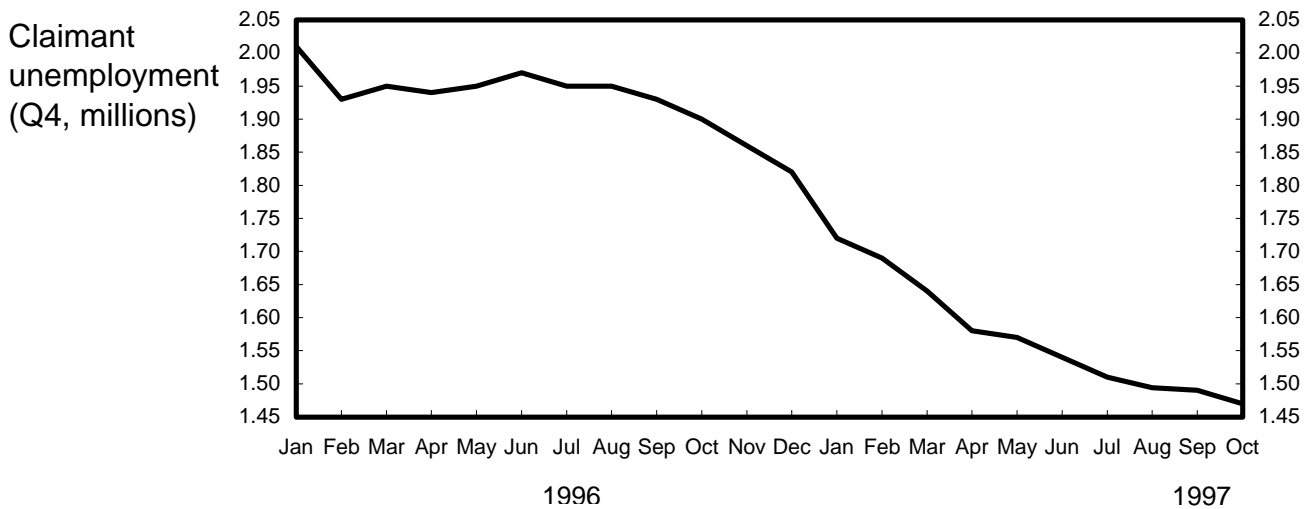
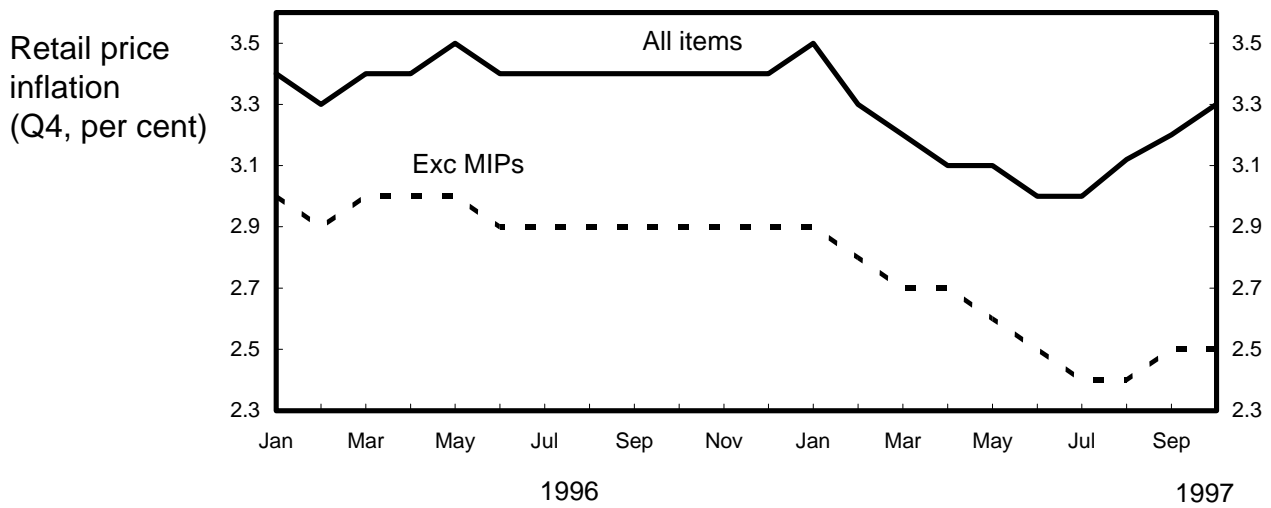
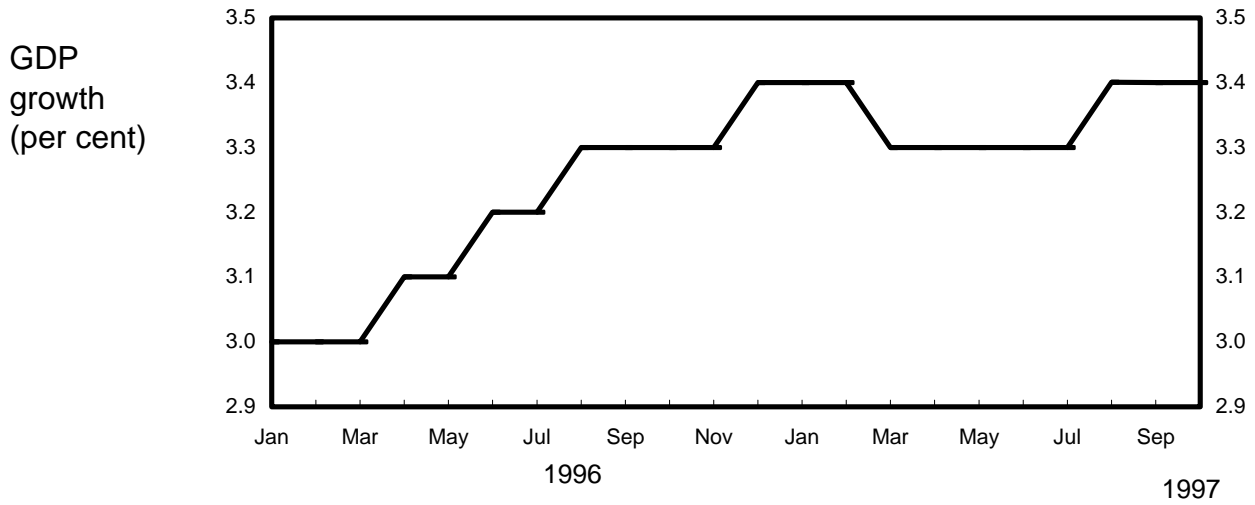
		1998				September 1997		Table 4	
GDP & its components, at constant prices									
Percentage changes on a year earlier unless stated otherwise									
Forecasters & date of forecasts		GDP	Consumers' expenditure	Government expenditure	Fixed investment	Stockbuilding (£bn)	Domestic demand	Exports (goods & services)	Imports
<b>City forecasters</b>									
Abn Amro Hoare Govett	Sept*	2.4	3.7	0.6	5.5	3.1	3.4	5.0	7.9
Barclays Bank	Sept*	3.0	4.0	0.7	6.3	1.9	3.7	5.4	7.9
BZW	Sept*	2.1	2.7	2.1	3.0	2.4	2.6	3.7	5.0
Charterhouse	Sept*	3.3	3.3	0.7	7.5	1.9	3.4	6.8	8.3
Chase Manhattan	Sept*	2.0	3.0	2.0	3.9	2.0	2.9	3.7	6.1
Credit Lyonnais	Sept*	2.4	3.2	0.9	4.0	4.4	3.2	5.0	7.3
Daiwa Europe Ltd/DIR	Aug	1.8	3.8	1.0	3.5	1.4	3.0	3.4	6.7
D M Grenfell	Sept*	3.0	4.3	2.3	7.3	2.9	4.3	4.3	8.3
Dresdner Kleinwort B	Sept*	1.7	2.4	0.2	5.9	2.6	2.6	1.5	4.3
Economic Perspectives	Sept*	1.9	2.4	1.5	6.0	1.0	2.8	3.2	6.0
Goldman Sachs	Sept*	2.2	4.0	0.5	6.3	2.2	3.5	4.4	7.6
Hermes	Sept*	2.3	3.6	0.9	5.0	2.3	3.2	3.3	6.0
HSBC Econ & Strategy	Sept*	2.5	3.5	1.5	4.5	3.2	3.3	4.5	6.3
James Capel	Sept*	3.5	4.0	1.5	4.4	6.6	3.8	5.0	6.0
J P Morgan	Sept*	2.9	3.8	0.5	5.8	4.6	3.8	5.0	7.5
Lehman Brothers	Aug	3.3	4.6	1.2	5.2	1.8	4.1	3.5	6.5
Lombard St	Sept*	3.6	3.7	1.4	6.3	5.2	3.7	6.4	6.7
Merrill Lynch	Aug	3.3	4.3	1.4	6.5	-	-	5.2	6.5
Morgan Stanley	Aug	3.6	4.3	1.0	6.8	4.4	4.2	6.3	8.0
Natwest Group	Sept*	2.5	3.6	0.8	3.6	2.0	2.8	4.3	5.2
Natwest Markets	Sept*	2.2	3.3	0.2	4.7	1.2	2.8	3.4	5.2
Nikko Europe	Sept*	2.4	3.4	0.6	5.2	1.0	3.0	3.5	5.3
Norwich Union IM	Sept*	2.8	3.5	0.9	7.1	1.9	3.6	4.2	6.7
Panmure Gordon	Sept*	2.7	3.4	1.0	6.0	4.0	3.3	5.0	6.7
Salomon Brothers	Sept*	1.9	3.4	0.0	6.2	1.6	3.1	4.2	7.7
Schroders	Sept*	2.3	3.6	0.5	5.9	2.0	3.3	3.5	6.0
Societe Generale	Sept*	2.8	3.9	-0.2	5.3	2.7	3.3	5.6	7.3
S B C Warburg	Sept*	3.3	4.3	1.2	7.3	-	4.2	5.6	9.1
UBS	Sept*	1.8	2.7	0.6	3.4	-1.7	1.9	4.1	4.3
Williams de Broe	Sept*	2.3	3.7	1.4	5.0	3.5	3.4	2.1	5.9
<b>Non-City forecasters</b>									
BSL	Sept*	2.0	3.2	0.3	2.8	2.3	2.5	3.6	4.7
Cambridge Econ	Sept*	2.6	3.2	1.5	4.5	1.6	3.1	4.6	6.3
CBI	Sept*	2.5	3.9	1.1	4.7	2.1	3.3	3.6	5.4
CEBR	Sept*	2.7	1.7	1.8	9.5	1.2	3.1	4.8	6.1
DRI	July	2.4	2.3	0.9	8.4	2.5	3.1	5.9	7.7
EIU	Sept*	2.1	2.3	1.0	5.8	5.0	2.6	5.3	6.7
Henley	Sept*	2.2	3.6	0.5	5.7	2.9	3.4	3.7	7.0
ITEM Club	July	2.4	3.0	1.0	8.8	0.4	3.7	5.2	8.0
LBS	Sept*	1.9	3.6	0.8	4.2	2.2	3.2	4.1	8.2
Liverpool Univ	Aug	2.1	2.9 c	1.3 d	5.5 e	-	3.4	-	-
NIESR	Sept*	2.0	2.8	0.7	3.1	1.3	2.4	3.3	4.3
OEF	Sept*	2.0	3.4	0.0	4.4	2.0	3.0	3.9	6.5
WEFA	Aug	2.3	3.6	0.1	4.2	1.9	2.9	4.6	6.2
EC	June	2.6	3.3	0.6	6.1	0.3	3.3	5.1	7.2
OECD	July	2.7	3.4	1.0	5.6	-	3.4	5.3	7.4
IMF	June	2.8	2.5	1.7	7.0	-	3.1	6.0	6.9
<b>Average of Forecasts made in last 3 months</b>									
Independent		2.5	3.4	0.9	5.5	2.4	3.2	4.4	6.6
New (marked *)		2.5	3.4	0.9	5.3	2.5	3.2	4.4	6.5
City		2.6	3.6	1.0	5.4	2.6	3.3	4.4	6.6
<b>Range of Forecasts made in last 3 months</b>									
Highest		3.6	4.6	2.3	9.5	6.6	4.3	6.8	9.1
Lowest		1.7	1.7	-0.2	2.8	-1.7	1.9	1.5	4.3
HM Treasury	July	2½	4	-1	6	0 g	¾	5	7¾

		1998		September 1997		Table 5			
Inflation and monetary indicators									
Percentage changes on a year earlier unless stated otherwise									
Forecasters & date of forecasts	RPI	RPI exc	Average	Sterling	Interest	Oil	M0	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1998-99)		
<b>City forecasters</b>									
Abn Amro Hoare Govett	Sept*	3.2	3.0	4.9	99.4	7.05	18.5	6.3	7.0
Barclays Bank	Sept*	3.7	3.0	5.5	95.0	8.00	18.0	5.0	8.0
BZW	Sept*	3.1	3.2	4.8	95.0	7.25	-	5.0	6.5
Charterhouse	Sept*	3.4	3.7	5.0	87.2	8.28	-	4.6	7.6
Chase Manhattan	Sept*	2.6	2.8	4.7	97.0	6.70	20.0	5.0	9.0
Credit Lyonnais	Sept*	3.4	3.0	5.4	96.0	7.50	21.0	-	-
Daiwa Europe Ltd/DIR	Aug	3.5	2.8	5.2	94.0	7.00	-	-	-
D M Grenfell	Sept*	3.5	3.1	5.5	89.7	8.00	18.8	6.3	8.0
Dresdner Kleinwort B	Sept*	3.0	2.9	4.2	95.5	6.60	18.5	-	-
Economic Perspectives	Sept*	2.6	2.3	3.7	94.0	6.25	19.5	5.0	7.5
Goldman Sachs	Sept*	3.9	2.9	5.3	93.0	7.60	21.3	3.5 j	10.2 j
Hermes	Sept*	2.9	2.5	4.5	-	7.00	-	-	-
HSBC Econ & Strategy	Sept*	2.9	2.3	4.5	92.0	7.50	18.0	5.0	8.0
James Capel	Sept*	4.6	4.0	5.5	97.0	8.10	17.0	6.7	9.3
J P Morgan	Sept*	3.0	2.7	5.25	-	8.00	-	-	-
Lehman Brothers	Aug	4.0	3.7	5.5	94.4	8.00	20.0	6.0	8.0
Lombard St	Sept*	4.4	3.8	5.3	90.0	8.75	20.0	-	-
Merrill Lynch	Aug	3.7	3.3	5.4	-	7.75	-	-	-
Morgan Stanley	Aug	4.0	3.7	5.7	94.8	7.80	-	6.3	9.8
Natwest Group	Sept*	2.9	2.7	4.6	95.2	6.68	18.5	5.3	5.9
Natwest Markets	Sept*	2.7	2.6	4.5	91.0	6.75	21.0	6.0	10.0
Nikko Europe	Sept*	3.2	3.0	4.5	95.0	6.90	-	6.0	8.0
Norwich Union IM	Sept*	4.1	3.7	5.5	102.0	6.50	20.0	6.7	9.0
Pannure Gordon	Sept*	2.8	2.5	5.0	99.1	7.30	-	5.2	9.2
Salomon Brothers	Sept*	2.9	2.6	4.6	97.0	7.00	18.0	-	-
Schroders	Sept*	3.5	3.2	4.8	95.0	7.30	20.0	-	-
Societe Generale	Sept*	-	3.2	5.5	92.0	7.10	18.0	7.0	9.5
S B C Warburg	Sept*	3.4	3.2	4.6	-	6.70	-	6.7	10.6
UBS	Sept*	2.9	2.6	4.3	101.3	6.80	18.0	6.2	7.9
Williams de Broe	Sept*	3.6	3.3	5.0	94.7	7.80	19.0	4.6	8.4
<b>Non-City forecasters</b>									
BSL	Sept*	3.0	2.8	4.2	94.5	7.22	16.2	-	-
Cambridge Econ	Sept*	2.9 k	2.5 k	4.5	92.8 k	6.80 ks	19.1	-	-
CBI	Sept*	3.0	2.7	4.6	99.0	7.00 s	18.0	-	-
CEBR	Sept*	2.6	2.7	4.7	100.0	7.40	-	-	7.7
DRI	July	3.2	3.1	5.1	85.0	7.25	17.7	6.2	7.2
EIU	Sept*	3.2	2.9	3.7	97.2	7.25	18.3	-	-
Henley	Sept*	3.1	2.9	4.5	-	7.50	18.5	-	-
ITEM Club	July	3.5	3.0	4.8	92.9	7.10	19.4	7.8	7.9
LBS	Sept*	2.4	2.4	4.9	92.0	6.50	19.3	2.1	12.4
Liverpool Univ	Aug	1.7	2.1	4.5	97.1	6.50	-	-	-
NIESR	Sept*	2.6	2.1	3.4	100.6	6.90	18.4	3.7	8.6
OEF	Sept*	2.7	2.5	4.5	96.0	6.20	19.5	6.5	4.1
WEFA	Aug	3.1	3.0	4.8	98.0	7.80	19.2	-	-
EC	June	2.5	2.5	4.5 i	97.7	6.30	20.2	-	-
OECD	July	-	-	-	-	6.50 k	18.2	-	-
IMF	June	-	2.5	4.9 i	-	-	18.4	-	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		3.2	2.9	4.8	95.1	7.26	18.9	5.6	8.3
New (marked *)		3.2	2.9	4.8	95.4	7.26	18.9	5.5	8.2
City		3.4	3.0	5.0	94.9	7.33	19.2	5.7	8.4
<b>Range of Forecasts made in last 3 months</b>									
Highest		4.6	4.0	5.7	102.0	8.75	21.3	7.8	12.4
Lowest		1.7	2.1	3.4	85.0	6.20	16.2	2.1	4.1
HM Treasury	July	-	2¾	-	-	-	-	-	-

		1998				September 1997		Table 6	
		Other variables							
		Percentage changes on a year earlier unless stated otherwise							
Forecasters & dates of forecasts		RPDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf'g output	World Trade	Current account (£ bn)	PSBR (£ bn 98-99)
<b>City forecasters</b>									
Abn Amro Hoare Govett	Sept*	1.8	0.8	1.42	1.4	1.1	8.1	-12.4	8.0
Barclays Bank	Sept*	2.2	1.1	1.40	-	1.5	-	-9.0	4.0
BZW	Sept*	2.8	0.6	1.40	1.5	1.5	-	-10.0	7.0
Charterhouse	Sept*	2.9	1.9	0.96	3.8	4.3	-	-11.2	3.6
Chase Manhattan	Sept*	2.0	1.2	1.15	1.5	1.5	-	-9.0	8.0
Credit Lyonnais	Sept*	-	-	1.35	2.3	1.9	8.5	-9.0	7.7
Daiwa Europe Ltd/DIR	Aug	2.8	0.4	1.50	-	-	-	-9.6	7.0
D M Grenfell	Sept*	3.1	1.0	1.31	1.9	1.5	7.5	-15.3	8.0
Dresdner Kleinwort B	July	2.2	1.5	1.34	1.8	1.6	-	-10.5	10.5
Economic Perspectives	Sept*	1.5	0.5	1.40	1.7	0.7	4.0	-9.0	13.0
Goldman Sachs	Sept*	2.4	0.8	1.39	1.1	0.9	-	-10.8	5.7
Hermes	Sept*	2.5	0.8	1.40	-	3.3	-	-11.0	4.0
HSBC Econ & Strategy	Sept*	2.7	0.2	1.40	1.0	1.0	7.0	-10.0	4.0
James Capel	Sept*	3.5	1.7	1.10	1.8	2.0	7.5	-15.0	2.0
J P Morgan	Sept*	3.5	1.5	1.38	2.0	2.0	-	-7.0	4.0
Lehman Brothers	Aug	3.0	1.0	1.40	1.0	1.0	7.5	-10.0	7.0
Lombard St	Sept*	3.2	0.7	1.40	-	-	-	-17.3	1.6
Merrill Lynch	Aug	-	-	1.25	-	2.3	-	-10.0	6.0
Morgan Stanley	Aug	2.6	2.2	1.20	2.8	3.6	8.6	-17.0	2.0
Natwest Group	Sept*	4.1	0.8	1.47	2.0	1.4	7.0	-5.2	6.6
Natwest Markets	Sept*	2.3	-0.1	1.43	0.7	0.5	6.1	-6.1	9.1
Nikko Europe	Sept*	2.8	1.0	1.30	-	2.0	-	-8.0	10.0
Norwich Union IM	Sept*	3.0	1.2	1.35	2.2	1.9	-	-10.0	4.0
Pannure Gordon	Sept*	2.0	1.4	1.29	1.6	1.2	-	-6.0	6.0
Salomon Brothers	Sept*	1.8	0.6	1.10	1.0	1.0	-	-16.3	4.0
Schroders	Sept*	2.3	0.6	1.37	1.5	1.4	5.8	-11.4	6.2
Societe Generale	Sept*	2.7	0.8	1.40	1.8	1.5	8.0	-4.0	5.0
S B C Warburg	Sept*	2.8	-	1.10	-	2.0	-	-12.0	5.0
UBS	Sept*	1.9	0.7	1.59	1.7	1.6	6.7	-8.8	9.5
Williams de Broe	Sept*	-	0.7	1.58	0.9	0.9	4.1	-12.3	8.2
<b>Non-City forecasters</b>									
BSL	Sept*	2.8	1.3	1.42	1.1	1.0	4.1	-5.6	7.8
Cambridge Econ	Sept*	2.7	0.9	1.60 k	1.8	1.7	3.6	-10.8	11.3 k
CBI	Sept*	3.1	1.1	1.52	2.3	2.0	6.6	-6.8	6.8
CEBR	Sept*	1.4	0.9	1.34	-	2.3	-	-4.6	6.9
DRI	July	0.8	1.2	1.29	1.8	2.1	6.5	-3.0	2.0
EIU	Sept*	2.5	0.8	1.50	2.0	2.0	7.6	-8.5	6.1
Henley	Sept*	-	0.4	1.49	-	1.8	-	-8.5	-
ITEM Club	July	2.8	0.6	1.57	-	1.9	8.3	-8.8	8.9
LBS	Sept*	2.0	1.0	1.40	-	2.4	7.4	-10.6	2.3
Liverpool Univ	Aug	-	-	1.26	-	-	-	-11.2	0.7
NIESR	Sept*	1.6	1.6	1.34	-	0.9	5.1	-4.5	4.2
OEF	Sept*	2.1	0.6	1.50	0.8	1.3	8.4	-10.1	7.2
WEFA	Aug	2.7	1.0	1.47	2.1	1.7	6.4w	-10.9	5.2
EC	June	2.7	1.1	-	2.4	-	-	-1.4 g	-1.4 g
OECD	July	-	0.7	-	-	2.3	8.3	0.2	-
IMF	June	-	0.4	-	-	-	-	-1.2 g	-1.5 g
<b>Average of Forecasts made in last 3 months</b>									
Independent		2.5	0.9	1.36	1.7	1.7	6.8	-9.5	6.0
New (marked *)		2.5	0.9	1.37	1.7	1.6	6.5	-9.6	6.0
City		2.6	0.9	1.34	1.7	1.7	6.9	-10.4	6.2
<b>Range of Forecasts made in last 3 months</b>									
Highest		4.1	2.2	1.59	3.8	4.3	8.6	0.2	13.0
Lowest		0.8	-0.1	0.96	0.7	0.5	3.6	-17.3	0.7
HM Treasury	July	1¾	-	-	-	¾	8	-9	4.0

# Forecasts for 1997

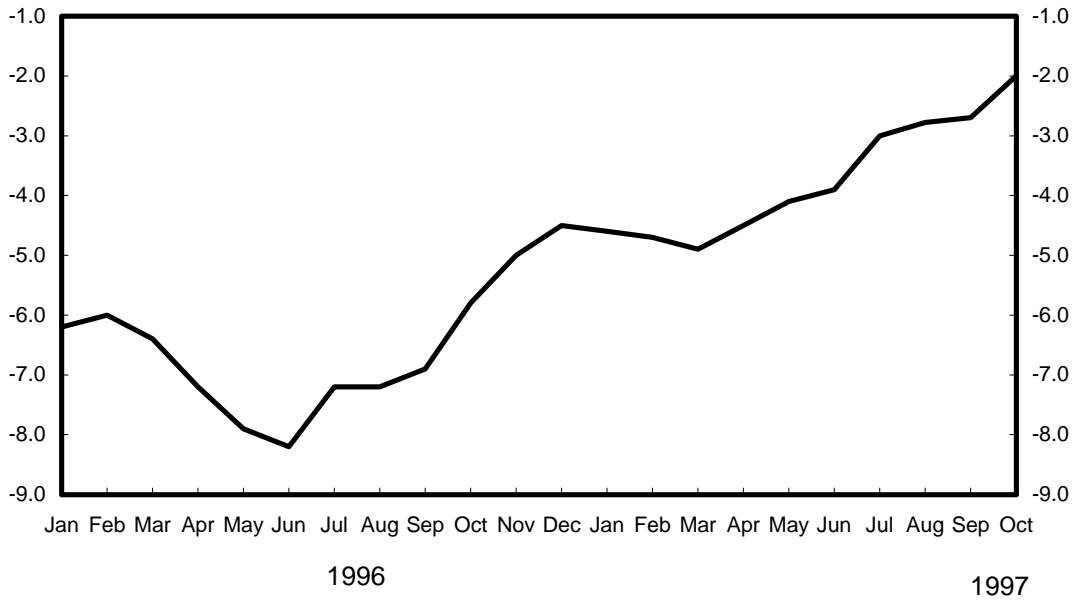
Independent average, January 1996 - October 1997



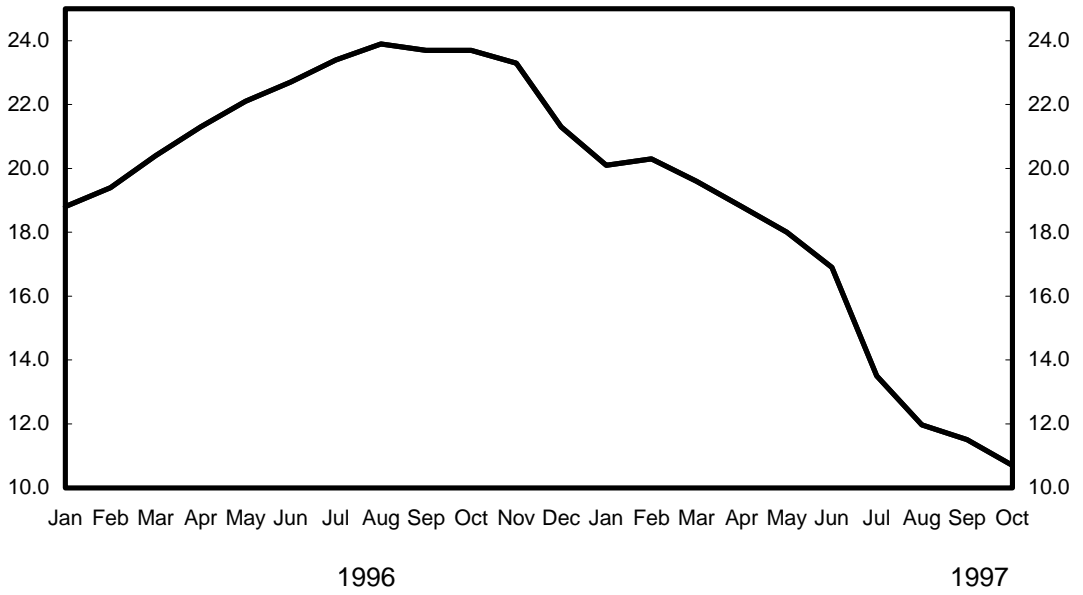
# Forecasts for 1997

Independent average, January 1996 - October 1997

Current account  
(£ billion)



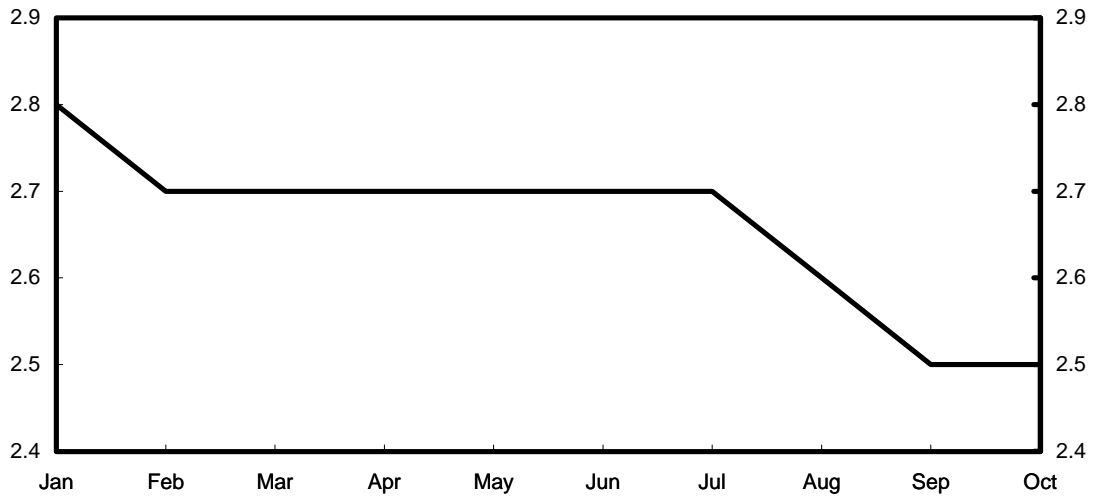
PSBR 1997-9i  
(£ billion)



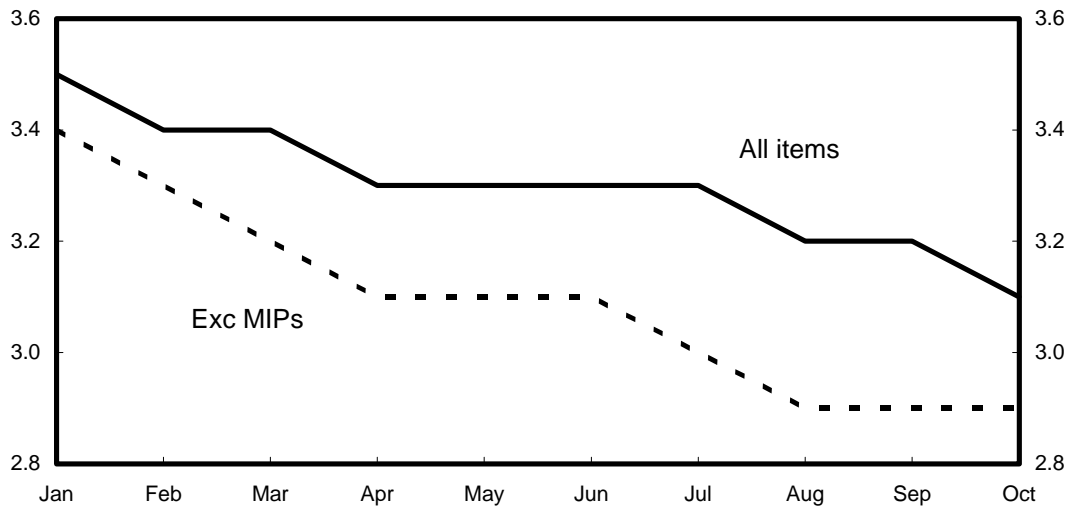
# Forecasts for 1998

Independent average, January 1997 - October 1997

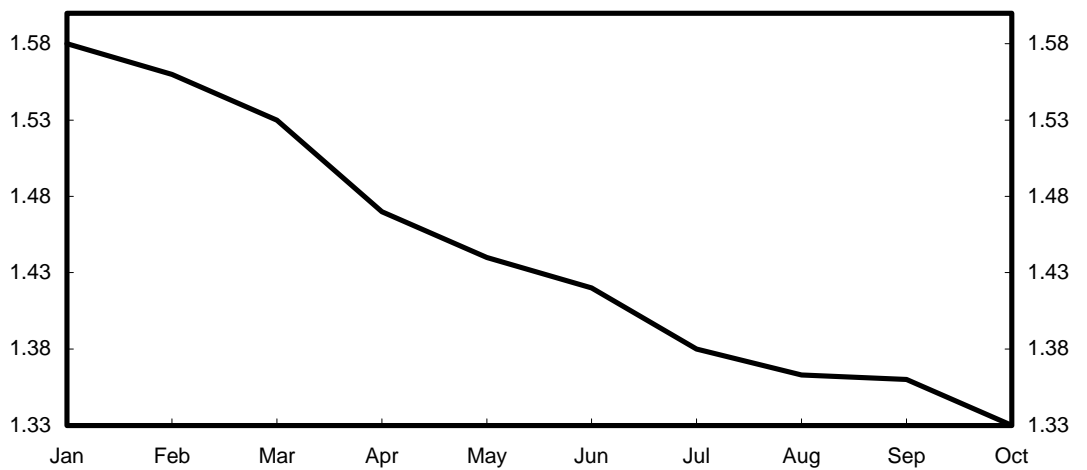
GDP growth  
(per cent)



Retail price inflation  
(Q4, per cent)



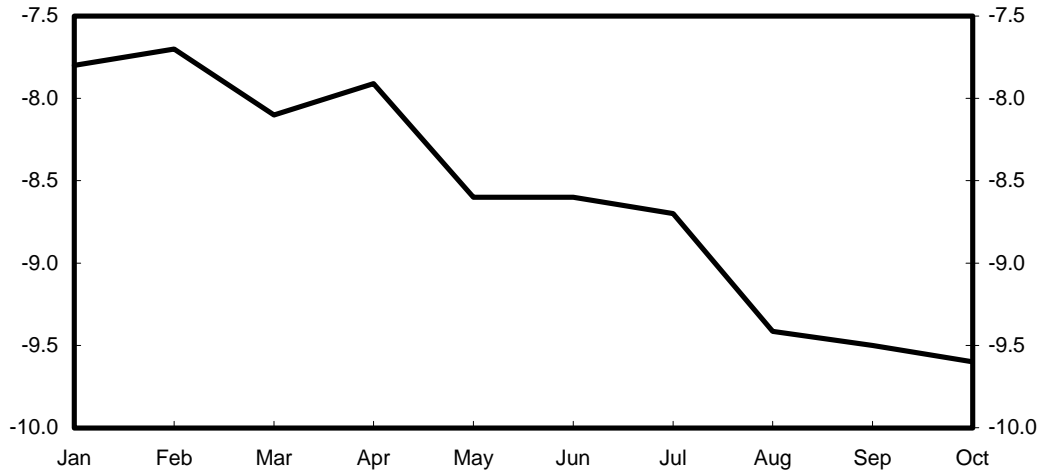
Claimant unemployment  
(Q4, millions)



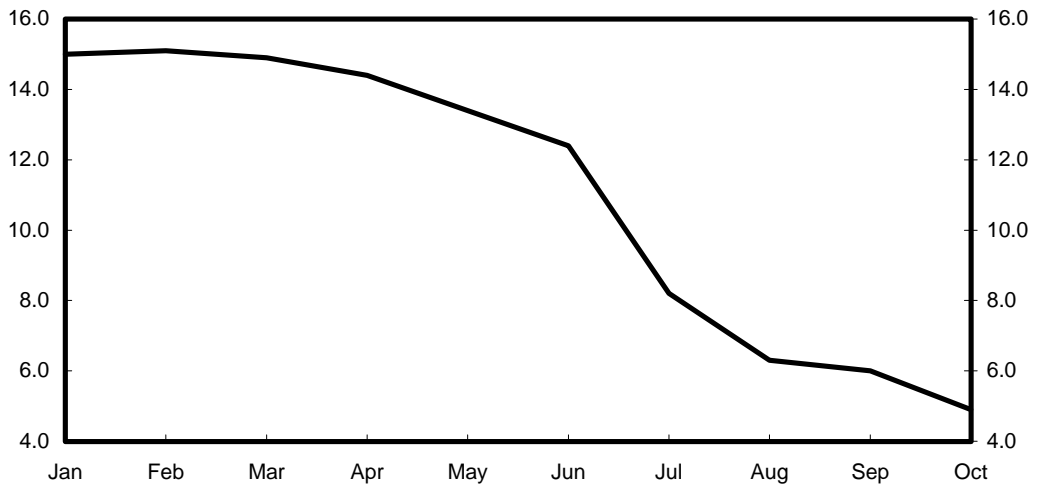
# Forecasts for 1998

Independent average, January 1997 - October 1997

Current account  
(£ billion)



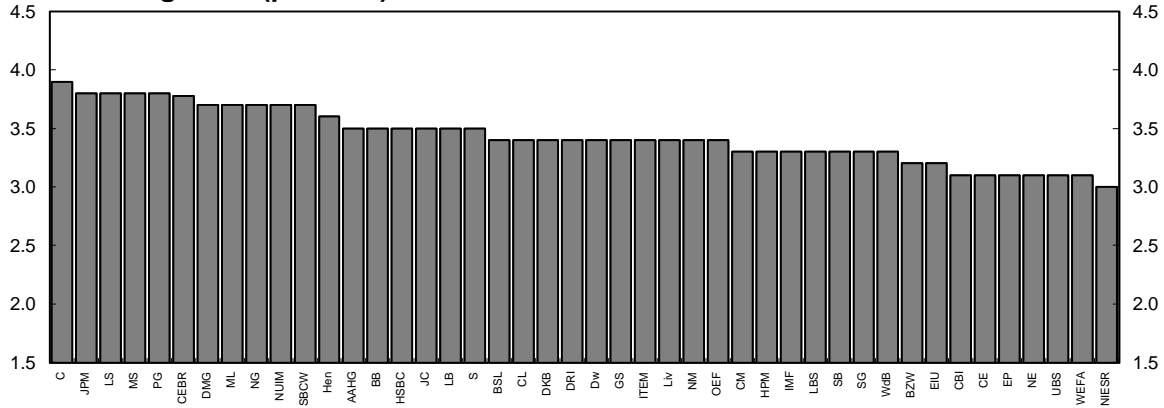
PSBR 1997-98  
(£ billion)



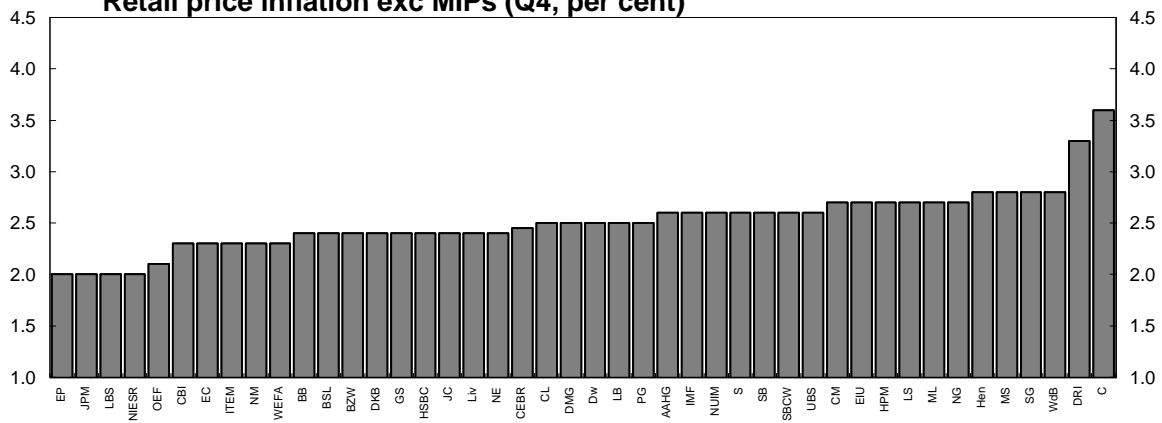
# Forecasts for 1997

Range of independent forecasts - October 1997

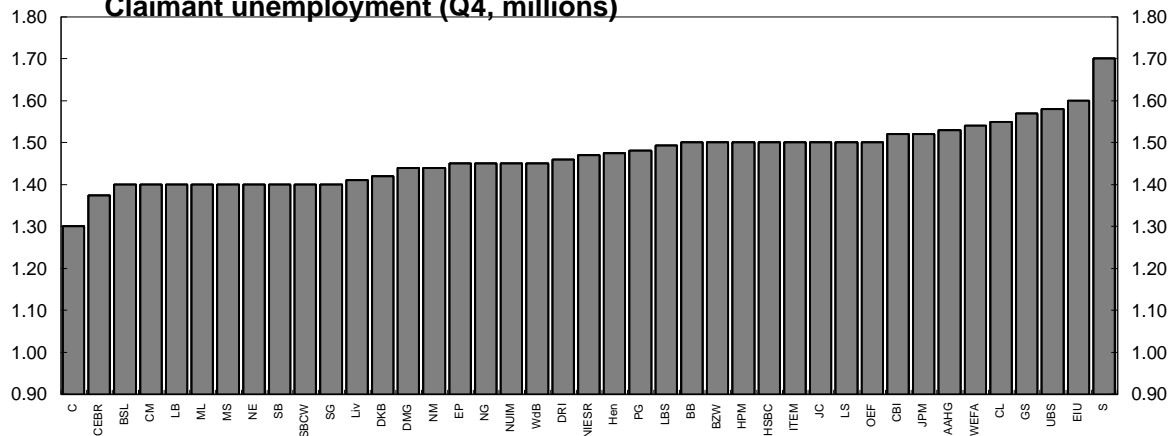
### GDP growth (per cent)



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



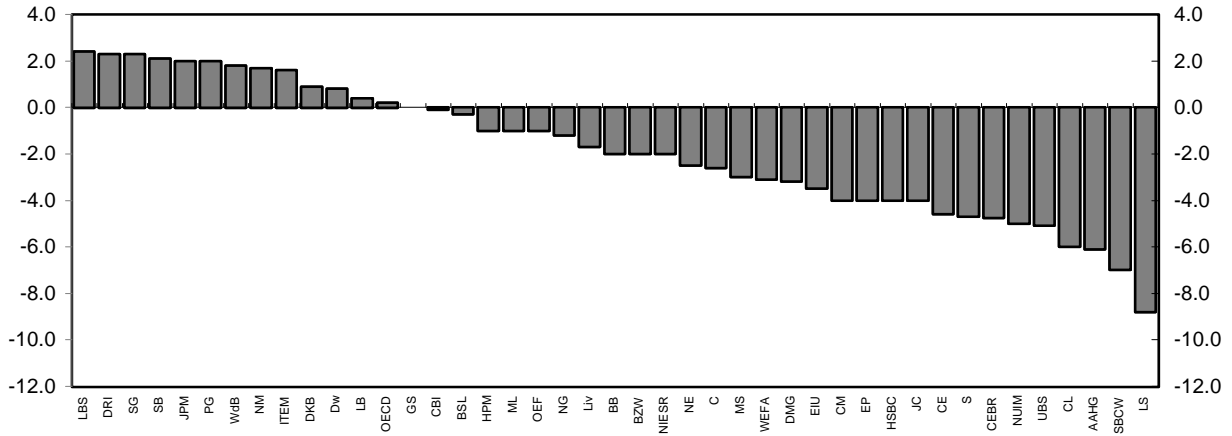
### Claimant unemployment (Q4, millions)



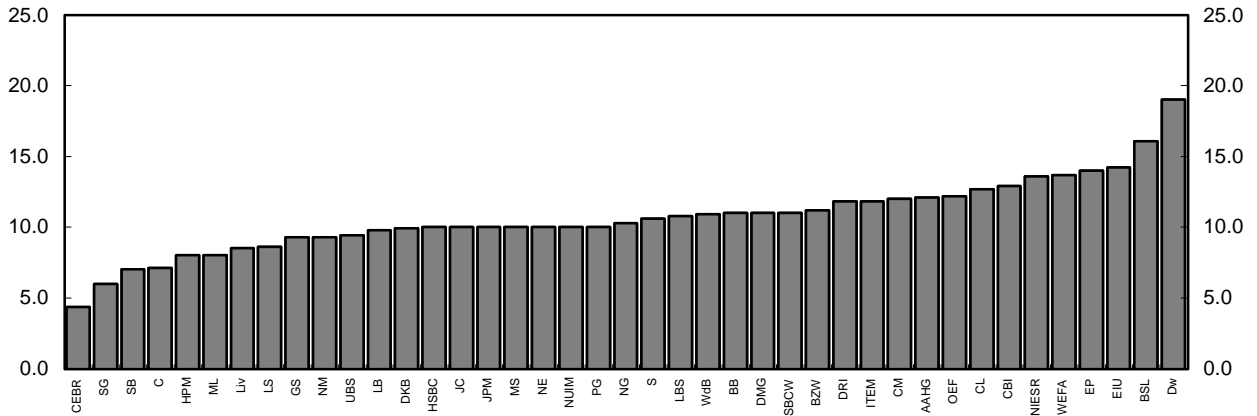
# Forecasts for 1997

Range of independent forecasts - October 1997

## Current account (£ billion)

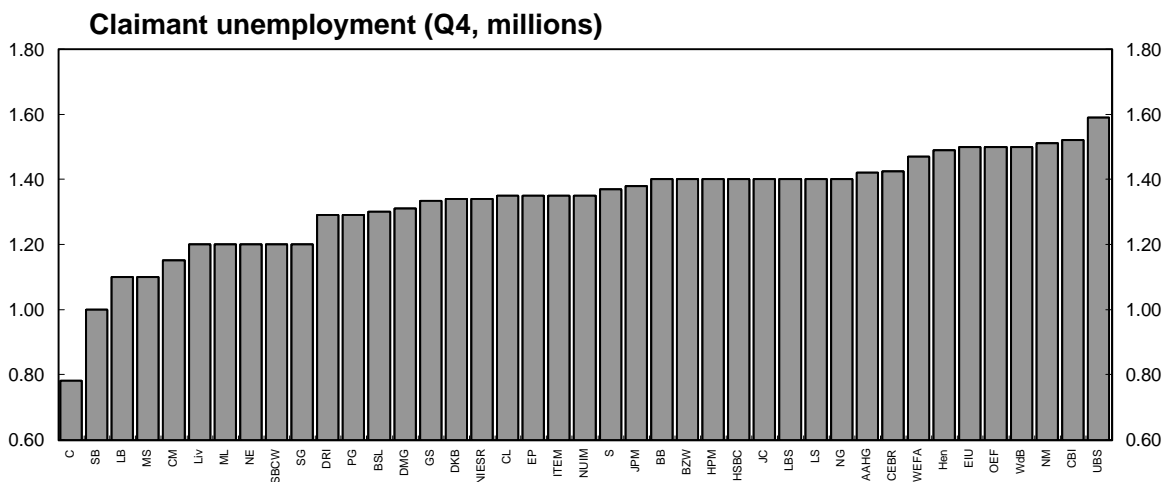
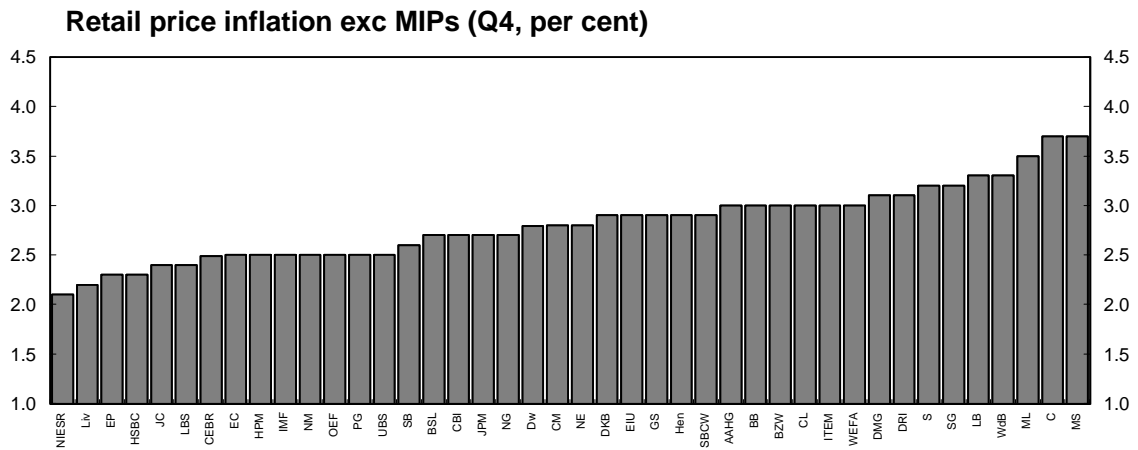
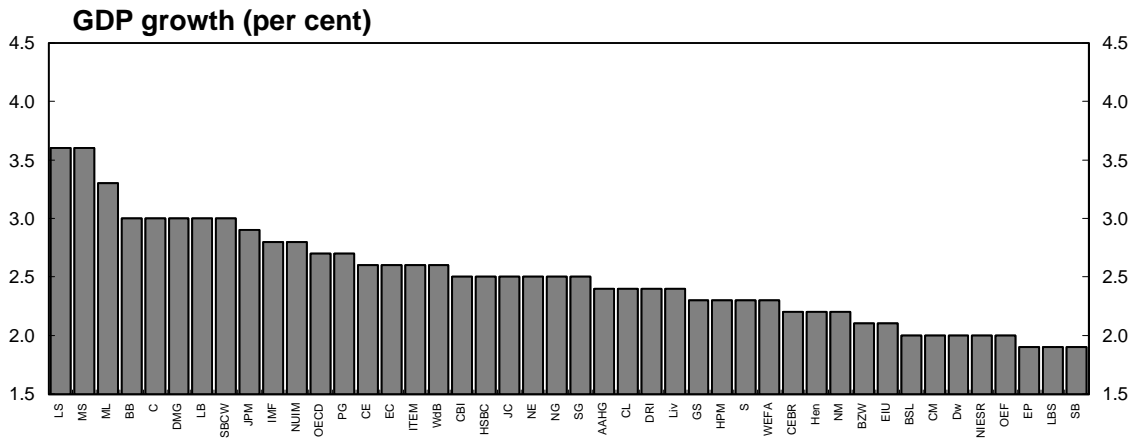


## PSBR (1997 - 98, £ billion)



# Forecasts for 1998

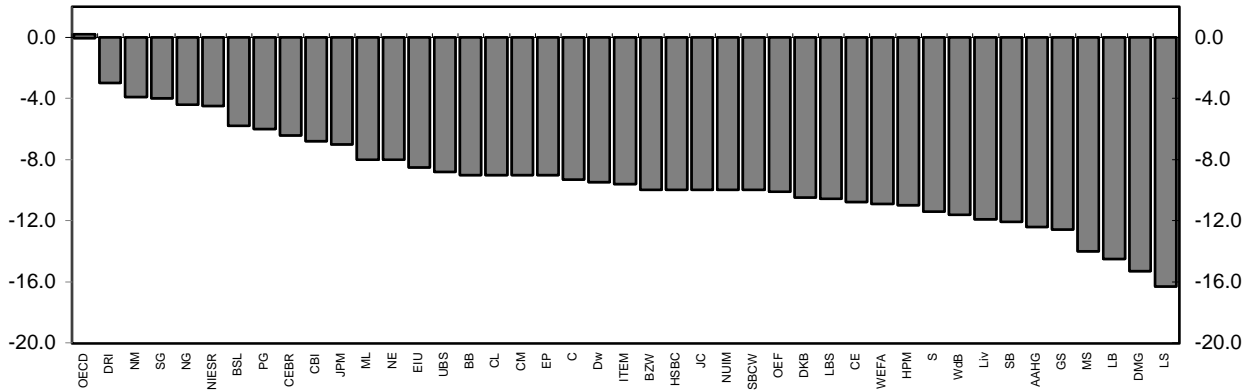
Range of independent forecasts - October 1997



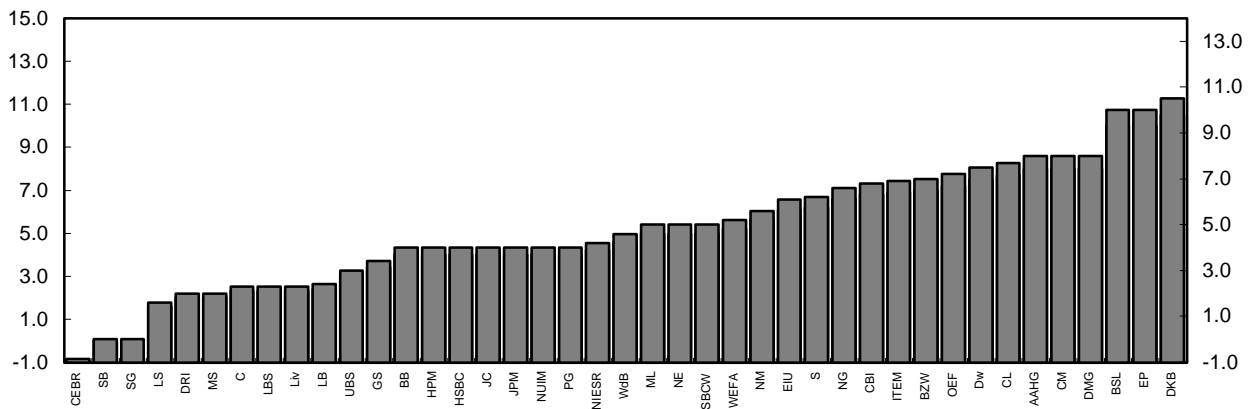
# Forecasts for 1998

Range of independent forecasts - October 1997

## Current account (£ billion)



## PSBR (1998 - 99, £ billion)



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

AAHG:	Abn Amro Hoare Govett
BB:	Barclays Bank
BZW:	Barclays de Zoëte Wedd
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
Dw:	Daiwa Europe Ltd/DIR
DMG:	Deutsche Morgan Grenfell
DKB:	Dresdner kleinwort Benson
DRI:	Data Resources Inc. Europe
EC:	European Commission
EIU:	Economist Intelligence Unit
EP:	Economic Perspectives
GS:	Goldman Sachs
Hen:	Henley Forecasting Centre
HSBC:	HSBC Economics and Strategy
HPM:	Hermes Pensions Management Ltd
IMF:	International Monetary Fund
ITEM:	ITEM Club
JC:	James Capel
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
NM:	Natwest Markets
NUIM:	Norwich Union Investment Management
PG:	Panmure Gordon
OECD:	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
SB:	Saloman Brothers
S:	Schroders
SBCW:	S B C Warburg
SG:	Societe Generale
UBS:	Union Bank of Switzerland
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 (remainder are 3-month interbank rate)
- t: billions of dollars
- u: general government current and capital expenditure plus stockbuilding
- v: average of spot price of Brent crude and Dubai light crude
- w: UK export markets
- x: claimant unemployment rate
- y: derived from the consumer price index
- z: OECD real imports of goods and services

**Contact lists:**

<b>Organisation</b>	<b>Contact</b>	<b>Telephone number</b>
Abn Amro Hoare Govett	Richard Iley	0171 374 7171
Barclays Bank	Mark Joint	01202 344 112
BZW	David Hillier	0171 775 8352
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 3792
CBI	Ranjiv Mann	0171 395 8101
	Sudhir Junankar	0171 395 8100
CEBR	Deborah Barlow	0171 600 6661
Credit Lyonnais	Glenn Davies	0171 214 5388
Daiwa Europe Ltd/DIR	Sanjay Joshy	0171 548 8945
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	Philip Whyte	0171 830 1000
Economic Perspectives	Peter Warburton	0171 382 8317
Goldman Sachs	Ann Terry	0171 774 1166
Henley Centre	Graeme Leach	0171 955 1824
Hermes Pensions Man. Ltd	James Walsh	0171 680 2144
HSBC Econ & Strategy	Jonathon Loynes	0171 337 2000
	Roger Bootle	0171 336 3888
ITEM club	John Gaster	0171 931 6680
James Capel	Adam Cole	0171 336 2442
J P Morgan	David Mackie	0171 325 5040
Lehman Brothers	Mike Dicks	0171 601 0011 ext 2232
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	Patrick Norwood	0171 726 1912
Natwest Markets	Geoffrey Dicks	0171 375 6083
Nikko Europe	Simon Briscoe	0171 976 7484
Norwich Union IM	Mike Collins	01603 681 120
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 382 6439
S B C Warburg	Darren Winder	0171 382 4412
Societe Generale	Brian Hilliard	0171 762 5014
UBS	Andrew Cates	0171 901 3502
WEFA	Dixon Hawkins	0171 631 0757
Williams de Broë	David Smith	0171 588 7511 ext 402