

HM Treasury

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FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts

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Compiled by  
Economic Assessment Team

No. 141  
January 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

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

The next edition will be published on 17 February 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, January 1999**

This edition of the comparison contains 31 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		January range		
	January	December	Lowest	Highest	
GDP growth (per cent)	0.6	0.8	-0.5	2.1	0.6
Inflation rate (Q4: per cent)					
- RPI	1.5	1.6	0.5	3.1	1.4
- RPI exc MIPs	2.2	2.3	1.1	3.1	2.2
Claimant unemployment (Q4: mn)	1.58	1.56	1.20	1.82	1.59
Current account (£bn)	-5.5	-6.2	-15.0	0.5	-6.1
PSNB** (1999-00: £bn)	5.5	5.7	-5.0	18.0	5.4

### Forecasts for 2000

	Independent <sup>+</sup>				Average of new* forecasts
	Averages		January range		
	January	December	Lowest	Highest	
GDP growth (per cent)	1.8	-	0.2	2.6	1.8
Inflation rate (Q4: per cent)					
- RPI	2.1	-	1.2	3.3	2.2
- RPI exc MIPs	2.2	-	1.2	2.9	2.2
Claimant unemployment (Q4: mn)	1.77	-	1.30	2.77	1.75
Current account (£bn)	-6.6	-	-17.0	2.5	-6.8
PSNB** (2000-01 : £bn)	9.1	-	-6.4	20.0	9.4

<sup>+</sup>Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (January 31 Institutions, December 32 Institutions, November 32 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 cc)

1999

January 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 Consumption	Government expenditure	Fixed investment	Change in Inventories(£bn)	Domestic demand	Exports (goods & services)	Imports
<b>City forecasters</b>									
Abn Amro	Dec*	0.8	1.4	3.1	1.3	4.0	1.3	2.4	4.5
Bardays Bank	Jan*	0.0	1.7	2.4	0.0	-2.8	0.7	1.0	2.4
Bardays Capital	Jan*	0.5	1.2	2.5	2.2	2.9	1.5	-0.4	2.7
Charterhouse	Jan*	2.1	2.4	2.6	3.2	1.9	2.3	2.5	3.7
Chase Manhattan	Jan*	0.5	1.4	3.5	3.0	0.5	1.6	-1.7	1.9
Credit Lyonnais	Jan*	0.5	1.6	2.2	1.2	1.8	-	1.7	3.3
Credit Suisse First Boston	Jan*	1.0	1.8	2.6	-0.8	1.6	1.1	3.6	4.0
Daiwa Institute of Research	Dec	0.9	1.8	2.5	0.7	4.9	1.6	2.2	4.1
Deutsche Bank	Jan*	0.0	0.9	2.2	-1.2	-4.2	0.2	0.5	1.7
Dresdner Kleinwort Benson	Dec	0.9	1.4	2.9	2.5	2.2	1.5	1.6	4.7
Economic Perspectives	Jan*	-0.2	1.2	2.5	1.5	1.0	0.9	0.0	3.5
Goldman Sachs	Jan*	0.4	1.6	2.0	1.8	-	1.1	0.4	2.6
Greenwich Natwest	Jan*	1.3	1.7	2.2	2.3	2.0	1.7	3.2	4.1
Hermes	Jan*	1.0	2.0	2.8	0.6	5.3	1.7	2.0	4.0
HSBC Econ & Strategy	Jan*	0.5	1.5	1.5	0.5	2.1	1.2	0.5	2.5
JP Morgan	Jan*	-0.5	1.5	1.1	-2.5	-3.2	-0.4	-0.9	-0.6
Lehman Brothers	Jan*	0.0	1.0	2.6	-0.5	1.1	0.4	0.4	1.6
Lombard St	Jan*	1.4	1.9	3.0	1.5	2.5	1.7	3.0	4.0
Merrill Lynch	Jan*	0.8	1.6	2.7	1.2	-	-	2.7	4.5
Morgan Stanley	Jan*	0.2	1.6	2.3	0.2	-0.6	0.9	0.5	3.6
Natwest Group	Jan*	0.8	1.2	1.5	2.6	1.6	1.2	3.5	3.7
Norwich Union IM	Jan*	0.9	1.5	2.5	0.6	1.6	1.3	-1.0	0.4
Salomon S Barney /Citibank	Dec	0.4	2.2	2.5	0.4	-3.0	0.9	2.1	3.7
Schroders	Jan*	0.0	1.2	2.2	0.2	2.2	0.6	1.7	3.3
S.G.	Jan*	0.5	1.2	1.7	3.4	2.3	1.5	2.4	3.6
Warburg Dillon Read	Dec	0.3	1.0	0.8	-2.1	-	1.0	1.9	1.8
WestLB Panmure	Jan*	-0.5	0.6	2.5	-0.4	2.4	0.3	0.0	1.9
Williams de Broe	Jan*	1.1	2.0	2.0	1.7	1.7	1.7	1.8	2.8
<b>Non-City forecasters</b>									
BSL	Jan*	0.5	0.4	2.8	0.8	1.0	0.5	2.5	2.4
Cambridge Econ	Dec	0.6	1.1	0.9	-0.8	3.6	1.3	3.1	2.4
CBI	Nov	0.7	1.0	2.0	1.0	0.0	0.6	1.9	1.4
CEBR	Dec	-0.1	0.3	2.5	-0.2	-0.6	0.3	1.8	3.0
DRI	Dec	1.2	1.1	3.0	2.6	3.7	1.5	1.2	1.5
EIU	Jan*	0.6	1.2	2.2	1.8	-	1.1	1.6	3.0
Henley	Jan*	-0.1	1.1	2.5	-1.9	2.2	0.6	0.9	3.1
ITEM Club	Nov	0.5	1.7	1.0	0.6	1.2	1.6	1.9	5.2
Liverpool Univ	Jan*	1.5	1.8 c	2.3 d	0.1 e	-	-	-	-
NIESR	Nov	1.1	1.5	3.8	-1.2	4.3	1.2	2.6	2.9
OEF	Jan*	0.4	1.6	2.3	0.4	2.2	1.2	1.4	3.9
WEFA	Jan*	1.0	2.3	1.9	-2.1	0.8	1.1	2.6	2.9
EC	Nov	1.3	2.1	2.0	2.6	0.2 g	1.8	3.7	5.0
OECD	Dec	0.8	1.3	1.5	2.0	-	1.2	2.9	4.1
IMF	Dec*	0.9	1.3	1.2	1.0	-	1.5	-	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		0.6	1.4	2.3	0.8	1.4	1.1	1.6	3.0
New (marked *)		0.6	1.4	2.3	0.8	1.3	1.1	1.3	2.9
City		0.6	1.5	2.3	0.9	1.3	1.1	1.3	3.0
<b>Range of Forecasts made in last 3 months</b>									
Highest		2.1	2.3	3.8	3.4	5.3	2.3	3.7	5.2
Lowest		-0.5	0.3	0.8	-2.5	-4.2	-0.4	-1.7	-0.6
HM Treasury	Nov	1-1½	1¾-2¼	2½	1¾-2¼	3.9	1½-2	2¾-3¼	4¼-4¾

1999

January 1999

Table 2

## 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	Sterling index(Q4)	3 month interest rate(Q4%)	Oil price (\$)	M0 (1999-00)	M4
<b>City forecasters</b>									
Abn Amro	Dec*	1.9	2.7	4.5	97.0	5.40	14.0	3.3	6.8
Barclays Bank	Jan*	0.5	2.0	3.8	92.0	4.50	13.0	4.0	4.0
Barclays Capital	Jan*	1.2	2.1	3.4	104.0	5.00	-	-	-
Charterhouse	Jan*	3.1	3.1	5.0	94.4	6.65	-	4.6	6.6
Chase Manhattan	Jan*	2.2	2.8	4.0	95.6	5.50	8.3	-	-
Credit Lyonnais	Jan*	1.2	2.3	4.2	94.0	4.50	12.5	-	-
Credit Suisse First Boston	Jan*	1.5	2.3	4.3	-	5.25	-	5.0	9.0
Daiwa Institute of Research	Dec	1.9	2.3	-	96.6	6.00	-	-	-
Deutsche Bank	Jan*	2.2	1.1	5.0	97.0	4.50	-	4.9	5.5
Dresdner Kleinwort Benson	Dec	1.2	2.1	4.3	100.5	5.40	13.0	-	-
Economic Perspectives	Jan*	2.3	2.0	3.9	94.0	5.00	12.5	4.5	6.5
Goldman Sachs	Jan*	1.5	2.3	4.3	93.0	4.80	15.3	3.0 jk	6.9 jk
Greenwich Natwest	Jan*	1.3	2.3	4.3	95.1	5.25	10.8	-	-
Hermes	Jan*	1.3	2.2	4.3	97.1	5.25	-	-	-
HSBC Econ & Strategy	Jan*	1.0	2.0	3.8	97.3	5.00	15.0	5.0	7.0
JP Morgan	Jan*	1.0	2.0	4.5	92.0	4.20	-	-	-
Lehman Brothers	Jan*	0.9	2.3	4.6	94.7	4.75	12.0	4.0	5.6
Lombard St	Jan*	1.7	2.2	4.7	92.4	5.70	14.0	-	5.6
Merrill Lynch	Jan*	1.1	2.2	4.4	-	5.20	-	4.8	6.5
Morgan Stanley	Jan*	3.0	2.4	4.0	94.2	5.60	-	2.5	3.1
Natwest Group	Jan*	1.4	2.4	4.1	95.3	5.40	11.7	5.4	5.8
Norwich Union IM	Jan*	1.3	2.0	3.7	96.0	5.00	12.0	5.0	5.0
Salomon S Barney /Citibank	Dec	0.9	2.1	4.7	97.0	5.10	13.0	-	-
Schroders	Jan*	1.2	2.1	4.4	96.0	5.00	-	-	-
S.G.	Jan*	-	2.1	3.7	97.0	4.75	14.0	3.5	7.0
Warburg Dillon Read	Dec	0.9	2.0	3.6	-	5.70	-	4.1	7.1
WestLB Panmure	Jan*	0.7	1.8	4.3	95.5	4.90	12.0	4.2	7.8
Williams de Broe	Jan*	0.6	1.5	4.2	98.1	4.50	11.5	5.2	11.3

**Non-City forecasters**

BSL	Jan*	1.3	2.3	3.4	95.7	5.00	12.0	-	-
Cambridge Econ	Dec	2.1 k	2.5 k	4.6	97.1 k	6.40 ks	12.8	-	-
CBI	Nov	1.5	2.3	4.4	95.0	5.50 s	14.0	-	-
CEBR	Dec	2.3	2.8	4.2	-	4.80	9.6	-	-
DRI	Dec	1.5	2.0	4.0	97.8	5.75	12.6	3.6	8.0
EIU	Jan*	1.5	2.1	4.1	98.0	4.80	8.6	-	-
Henley	Jan*	1.1	1.6	3.7	-	4.50	-	5.0	5.5
ITEM Club	Nov	2.5	2.6	5.4	96.0	6.00	15.0	3.8	4.4
Liverpool Univ	Jan*	-	2.2	4.4	98.0	5.20	-	-	-
NIESR	Nov	1.8	2.5	4.8	97.3	6.00	16.0	2.0	12.0
OEF	Jan*	1.3	2.1	4.9	96.1	5.30	11.1	5.0	7.2
WEFA	Jan*	1.0	2.1	4.3	-	5.60	-	-	-
EC	Nov	2.2	-	5.0	-	-	-	-	-
OECD	Dec	-	-	4.3	-	6.1 k	-	-	-
IMF	Dec*	-	2.5 k	4.1	-	-	14.5	-	-

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

Independent		1.5	2.2	4.3	96.1	5.18	12.6	4.3	6.7
New (marked *)		1.4	2.2	4.2	95.8	5.07	12.4	4.5	6.4
City		1.4	2.2	4.2	95.8	5.14	12.6	4.4	6.5

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

Highest		3.1	3.1	5.4	104.0	6.65	16.0	5.4	12.0
Lowest		0.5	1.1	3.4	92.0	4.20	8.3	2.0	3.1

HM Treasury	Nov	-	2½	-	-	-	-	-	-
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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)	PSNB ' (£bn 99-00)
<b>City forecasters</b>									
Abn Amro Hoare Govett	Dec*	2.1	-0.6	1.50	-1.4	-2.1	5.2	-2.8	1.2
Barclays Bank	Jan*	1.4	-0.8	1.65	-	-2.0	-	-8.0	7.0
Barclays Capital	Jan*	1.8	-0.4	1.56	-0.5	-0.8	-	-6.9	3.0 cc
Charterhouse	Jan*	2.7	0.5	1.47	0.8	0.3	-	-5.7	-4.2
Chase Manhattan	Dec	3.1	-0.4	1.70	-1.0	-1.0	-	-3.0	5.0 cc
Credit Lyonnais	Jan*	-	-	1.57	-0.5	-1.4	4.0	-6.8	3.4 cc
Credit Suisse First Boston	Jan*	2.0	-1.0	1.60	0.0	-1.0	-	-6.0	0.0
Daiwa Institute of Research	Dec	1.9	-0.5	1.50	-	-	-	-2.8	2.4
Deutsche Bank	Jan*	1.4	-1.0	1.80	-2.3	-3.1	-	-7.6	10.0
Dresdner Kleinwort Benson	Dec	1.4	-0.6	1.55	-1.4	-2.3	-	-5.6	8.1
Economic Perspectives	Jan*	0.8	-0.4	1.60	-0.5	-0.8	2.0	-15.0	13.0
Goldman Sachs	Jan*	2.4	-0.8	1.58	-1.5	-2.0	-	-7.9	13.5
Greenwich Natwest	Jan*	1.8	0.0	1.97 aa	-0.3	-0.8	4.1	-6.3	4.0 cc
Hermes	Jan*	1.8	-0.2	1.38	-0.5	-1.0	-	-4.9	6.6
HSBC Econ & Strategy	Jan*	1.5	-0.8	1.60	-2.0	-2.0	0.8	-7.0	2.0
JP Morgan	Jan*	-	-	1.60	-5.0	-5.0	-	0.5	8.0
Lehman Brothers	Jan*	1.8	-0.5	1.70	-1.3	-1.8	4.0	-6.8	6.0 cc
Lombard St	Jan*	2.1	-0.5	1.50	-	-	-	-6.5	4.5
Merrill Lynch	Jan*	-	-	1.50	-	-0.8	-	-5.5	3.0 cc
Morgan Stanley	Jan*	1.2	-0.6	1.70	-2.2	-1.8	-	-8.0	6.0
Natwest Group	Jan*	0.8	0.6	1.56	1.3	0.7	4.0	-6.7	9.5
Norwich Union IM	Jan*	2.0	-0.4	1.59	-0.5	-0.5	-	-9.0	10.0
Salomon S Barney /Citibank	Dec	2.5	-0.3	1.52	-2.2	-3.0	-	-4.8	-
Schroders	Jan*	2.0	-0.4	1.65	-	-1.4	4.0	-8.0	4.5
S.G.	Jan*	0.9	-0.5	1.65	-1.0	-1.5	4.5	-8.0	2.0
Warburg Dillon Read	Dec	0.6	-0.8	1.70	-0.4	-0.7	-	0.2	4.5
WestLB Panmure	Jan*	2.1	-1.0	1.59	-3.0	-3.3	-	-7.0	15.0
Williams de Broe	Jan*	-	0.0	1.54	0.4	0.0	4.2	-2.7	3.9 cc
<b>Non-City forecasters</b>									
BSL	Jan*	3.0	-1.3	1.69	-0.8	-1.2	1.9	-1.9	7.2
Cambridge Econ	Dec	1.7	0.3	1.50 k	0.0	-0.9	3.4	-6.3	4.4 k
CBI	Nov	2.1	-0.5	1.45	-0.2	-1.2	3.6	-8.4	7.8 cc
CEBR	Dec	3.7	-0.8	1.78	-	-2.9	-	-3.3	0.5
DRI	Dec	1.7	-0.6	1.46	-	-	4.6	-0.9	7.3
EIU	Jan*	1.8	-0.5	1.58	-0.8	-1.3	4.3	-6.0	5.9
Henley	Jan*	1.9	-1.2	1.82	-	-2.9	-	-9.0	6.5
ITEM Club	Nov	1.6	-1.3	1.76	-1.3	-2.0	4.0	-5.8	0.9
Liverpool Univ	Jan*	-	-	1.20	-	-	-	-7.6	-3.2
NIESR	Nov	3.8	-0.6	1.56	-	-0.5	5.0	-3.0	18.0
OEF	Jan*	2.0	-0.8	1.60	-1.1	-1.6	5.8	-5.9	4.5
WEFA	Jan*	2.4	-0.1	1.55	1.2	0.9	-	-3.0	-5.0
EC	Nov	-	0.5	-	0.9	-	-	-0.1 g	-
OECD	Dec	-	-0.6	-	-	0.5	-	-1.2 g	-
IMF	Dec*	-	-0.2	-	-	-	-	-1.5 g	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		1.9	-0.5	1.58	-0.9	-1.4	3.9	-5.5	5.5
New (marked *)		1.9	-0.5	1.59	-0.9	-1.4	3.8	-6.1	5.4
City		1.8	-0.5	1.59	-1.1	-1.5	3.7	-6.0	6.2
<b>Range of Forecasts made in last 3 months</b>									
Highest		3.8	0.6	1.82	1.3	0.9	5.8	0.5	18.0
Lowest		0.6	-1.3	1.20	-5.0	-5.0	0.8	-15.0	-5.0
HM Treasury	Nov	1¾ to 2¼	-	-	-	-¼ to ¼	5½	-7½	6.0

2000

January 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 Consumption	Government expenditure	Fixed investment	Change in Inventories(fbn)	Domestic demand	Exports (goods & services)	Imports
<b>City forecasters</b>									
Abn Amro	Dec*	2.0	1.9	2.7	3.3	0.4	1.9	4.4	3.6
Barclays Bank	Jan*	1.2	1.7	1.8	-4.0	-2.5	0.8	3.3	2.0
Barclays Capital	Jan*	1.9	1.8	2.8	2.8	2.0	2.0	3.3	3.5
Charterhouse	Jan*	2.0	1.4	3.4	1.9	1.0	1.7	4.5	3.7
Chase Manhattan	Jan*	1.8	2.2	4.1	1.2	1.6	2.5	1.2	3.3
Credit Lyonnais	Jan*	1.3	1.9	2.2	1.7	-1.6	-	3.3	3.3
Credit Suisse First Boston	Jan*	2.1	2.3	2.9	1.5	0.8	2.1	4.8	4.8
Daiwa Institute of Research	Dec	-	-	-	-	-	-	-	-
Deutsche Bank	Jan*	1.6	1.7	2.4	0.5	1.5	1.8	2.1	2.5
Dresdner Kleinwort Benson	Dec	-	-	-	-	-	-	-	-
Economic Perspectives	Jan*	0.6	2.0	2.0	0.1	-1.5	1.4	2.0	4.0
Goldman Sachs	Jan*	2.2	2.7	2.4	2.7	-	2.6	2.9	3.8
Greenwich Natwest	Jan*	2.4	2.1	2.4	2.6	2.0	2.2	6.5	5.6
Hermes	Jan*	2.3	2.8	1.8	3.0	3.2	2.4	5.0	4.9
HSBC Econ & Strategy	Jan*	2.0	2.0	2.5	1.0	4.5	2.2	3.5	4.0
J P Morgan	Jan*	1.7	2.2	2.5	-0.9	-3.5	1.7	-0.1	0.0
Lehman Brothers	Jan*	1.1	0.8	3.0	0.8	1.3	1.2	2.1	2.3
Lombard St	Jan*	2.4	2.2	2.0	2.5	2.0	2.1	3.9	3.1
Merrill Lynch	Jan*	2.2	2.2	2.7	2.8	-	-	4.0	4.7
Morgan Stanley	Jan*	1.5	2.4	2.3	0.6	3.2	2.4	2.7	4.5
Natwest Group	Jan*	1.8	1.9	1.0	2.1	1.8	1.8	4.4	4.0
Norwich Union IM	Jan*	2.6	2.4	2.8	1.6	3.8	2.6	3.5	3.4
Salomon S Barney /Citibank	Dec	-	-	-	-	-	-	-	-
Schroders	Jan*	1.6	1.4	2.3	2.0	4.8	2.0	2.8	3.8
S.G.	Jan*	0.8	0.7	1.9	0.9	1.2	0.8	3.5	3.5
Warburg Dillon Read	Dec	-	-	-	-	-	-	-	-
WestLB Panmure	Jan*	2.0	1.8	2.3	1.8	1.2	1.7	3.9	2.4
Williams de Broe	Jan*	2.0	2.4	2.3	1.8	3.6	2.5	3.2	4.5
<b>Non-City forecasters</b>									
BSL	Jan*	2.0	1.2	3.0	1.5	2.5	1.8	4.4	3.7
Cambridge Econ	Dec	-	-	-	-	-	-	-	-
CBI	Nov*	1.8	1.6	1.8	-0.1	1.1	1.5	2.6	1.5
CEBR	Dec*	0.2	0.7	2.5	-4.1	-0.4	-0.4	3.7	2.0
DRI	Dec	-	-	-	-	-	-	-	-
EIU	Jan*	1.7	1.4	2.3	1.8	-	1.6	4.7	4.1
Henley	Jan*	1.4	1.3	2.3	1.0	2.6	1.5	3.1	3.7
ITEM Club	Nov	-	-	-	-	-	-	-	-
Liverpool Univ	Jan*	2.0	2.4 c	2.9 d	2.2 e	-	-	-	-
NIESR	Nov	2.2	1.2	4.4	1.6	-	-	4.0	1.8
OEF	Jan*	2.0	2.3	1.8	1.8	1.3	2.0	4.9	4.7
WEFA	Jan*	2.5	2.4	2.0	-0.8	2.5	2.0	5.6	3.8
EC	Nov	2.1	2.0	3.0	3.8	0.1 g	2.4	5.5	6.3
OECD	Dec	1.5	1.5	2.2	1.7	-	1.6	4.8	4.6
IMF	Dec*	-	-	-	-	-	-	-	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		1.8	1.8	2.5	1.3	1.4	1.8	3.6	3.6
New (marked *)		1.8	1.9	2.4	1.4	1.5	1.9	3.6	3.6
City		1.8	2.0	2.4	1.4	1.4	1.9	3.4	3.6
<b>Range of Forecasts made in last 3 months</b>									
Highest		2.6	2.8	4.4	3.8	4.8	2.6	6.5	6.3
Lowest		0.2	0.7	1.0	-4.1	-3.5	-0.4	-0.1	0.0
HM Treasury	Nov	2¼-2¾	2¼-2¾	1¾	3-3½	3.0	2¼-2¾	4¾-5¼	4½-5

2000

January 1999

Table 5

## 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	Dec*	2.5	2.4	4.0	92.8	5.40	165	3.7	5.1
Bardclays Bank	Jan*	1.5	1.8	3.5	90.0	4.00	13.0	4.0	3.0
Bardclays Capital	Jan*	2.3	2.5	3.9	101.0	4.50	-	-	-
Charterhouse	Jan*	2.9	2.7	4.4	94.4	7.15	-	4.2	6.2
Chase Manhattan	Jan*	2.4	2.4	4.1	94.5	5.10	9.8	-	-
Credit Lyonnais	Jan*	2.1	2.2	3.5	95.0	4.25	16.0	-	-
Credit Suisse First Boston	Jan*	2.3	2.5	3.8	-	4.75	-	5.0	8.0
Daiwa Institute of Research	Dec	-	-	-	-	-	-	-	-
Deutsche Bank	Jan*	2.4	2.1	4.5	96.0	5.0	-	4.8	5.0
Dresdner Kleinwort Benson	Dec	-	-	-	-	-	-	-	-
Economic Perspectives	Jan*	1.5	1.5	3.5	90.0	4.50	14.0	5.2	6.0
Goldman Sachs	Jan*	1.3	1.9	3.8	93.0	4.7	16.0	4.3jk	5.3jk
Greenwich Natwest	Jan*	2.7	2.4	4.2	91.3	5.92	11.0	-	-
Hermes	Jan*	2.5	2.3	4.6	95.3	5.70	-	-	-
HSBC Econ & Strategy	Jan*	2.8	2.4	3.5	96.0	5.20	17.0	6.0	6.0
J P Morgan	Jan*	1.5	1.7	4.0	89.0	3.50	-	-	-
Lehman Brothers	Jan*	1.5	2.3	4.2	92.3	4.25	13.0	3.0	4.0
Lombard St	Jan*	2.6	2.9	4.8	90.0	6.00	15.0	-	4.5
Merrill Lynch	Jan*	2.1	2.2	4.2	-	5.00	-	4.8	6.0
Morgan Stanley	Jan*	3.3	2.7	4.3	97.4	6.50	-	4.8	5.0
Natwest Group	Jan*	3.0	2.5	4.5	95.3	6.30	14.0	5.6	6.0
Norwich Union IM	Jan*	2.0	2.4	3.5	95.0	5.00	14.0	7.0	7.0
Salomon S Barney /Citibank	Dec	-	-	-	-	-	-	-	-
Schroders	Jan*	2.1	2.2	3.8	94.0	5.00	-	-	-
S.G.	Jan*	-	1.9	3.3	96.0	5.10	14.0	3.5	6.0
Warburg Dillon Read	Dec	-	-	-	-	-	-	-	-
WestLB Panmure	Jan*	1.7	2.2	4.1	94.0	4.50	14.0	5.6	7.0
Williams de Broe	Jan*	1.2	1.5	4.0	95.1	4.60	12.0	5.3	10.7
<b>Non-City forecasters</b>									
BSL	Jan*	2.0	2.3	4.1	94.3	5.00	14.5	-	-
Cambridge Econ	Dec	-	-	-	-	-	-	-	-
CBI	Nov*	2.7	2.5	4.0	94.0	5.50 s	14.0	-	-
CEBR	Dec*	1.2	1.2	3.2	-	3.90	9.7	-	-
DRI	Dec	-	-	-	-	-	-	-	-
EIU	Jan*	2.4	2.3	4.0	97.0	4.80	10.0	-	-
Henley	Jan*	1.9	1.9	3.7	-	4.90	-	4.5	5.6
ITEM Club	Nov	-	-	-	-	-	-	-	-
Liverpool Univ	Jan*	-	2.2	4.5	97.0	4.6	-	-	-
NIESR	Nov	1.4	2.0	3.0	96.6	-	16.5	-	-
OEF	Jan*	2.4	2.3	4.6	94.5	5.50	11.9	4.0	6.3
WEFA	Jan*	2.5	2.7	4.4	-	5.6	-	-	-
EC	Nov	1.7	-	4.8	-	-	-	-	-
OECD	Dec	-	-	4.4	5.1 k	-	-	-	-
IMF	Oct	-	-	-	-	-	-	-	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		2.1	2.2	4.0	94.3	5.04	13.6	4.8	6.0
New (marked *)		2.2	2.2	4.0	94.2	5.08	13.6	4.8	6.0
City		2.2	2.2	4.0	94.0	5.08	14.0	4.8	6.0
<b>Range of Forecasts made in last 3 months</b>									
Highest		3.3	2.9	4.8	101.0	7.15	17.0	7.0	10.7
Lowest		1.2	1.2	3.0	89.0	3.50	9.7	3.0	3.0
HM Treasury	Nov	-	2½	-	-	-	-	-	-

## Other variables

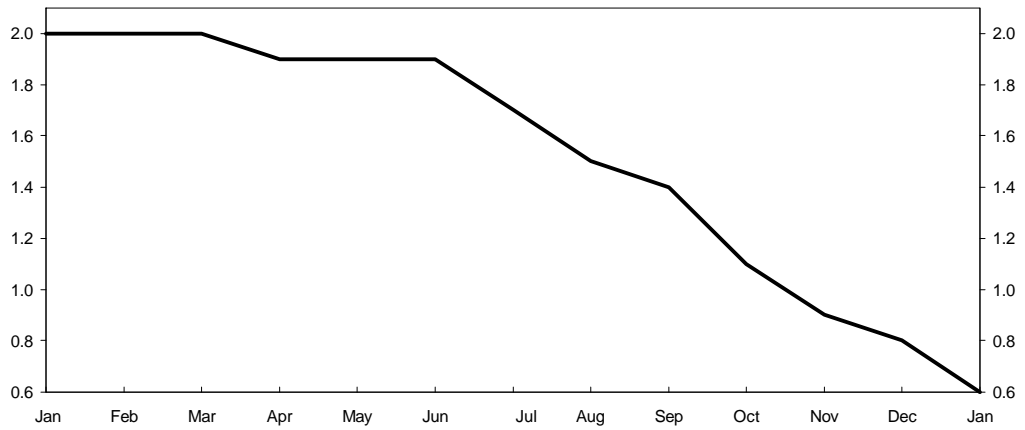
Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RHDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf'g output	World Trade	Current account (£ bn)	PSNB ' (£bn 99-00)
<b>City forecasters</b>									
Abn Amro Hoare Govett	Dec*	2.0	-0.3	1.60	0.7	0.3	6.1	-4.1	8.8
Barclays Bank	Jan*	1.6	-1.0	1.85	-	0.0	-	-3.0	14.0
Barclays Capital	Jan*	2.3	-0.1	1.47	2.0	2.0	-	-6.6	7.0 cc
Charterhouse	Jan*	2.0	-0.6	1.87	1.7	1.7	-	-3.9	3.7
Chase Manhattan	Jan*	2.6	0.1	1.60	0.5	0.5	-	-5.0	10.0 cc
Credit Lyonnais	Jan*	-	-	1.70	1.3	1.1	5.5	-8.0	11.8 cc
Credit Suisse First Boston	Jan*	2.3	-0.5	1.75	1.0	1.0	-	-6.0	7.5
Daiwa Institute of Research	Dec	-	-	-	-	-	-	-	-
Deutsche Bank	Jan*	1.6	0.0	2.1	0.4	0.3	-	-9.8	20.0
Dresdner Kleinwort Benson	Dec	-	-	-	-	-	-	-	-
Economic Perspectives	Jan*	1.8	-0.3	1.75	0.5	0.2	3.5	-17.0	20.0
Goldman Sachs	Jan*	1.9	0.1	1.87	1.7	1.6	-	-11.1	19.8
Greenwich Natwest	Jan*	1.7	0.5	1.84	2.6	2.4	4.7	-9.2	6.0 cc
Hermes	Jan*	2.1	-0.3	1.42	1.2	1.9	-	-4.1	4.1
HSBC Econ & Strategy	Jan*	3.0	-0.7	1.80	1.0	1.0	3.2	-10.0	5.0
J P Morgan	Jan*	-	-	1.80	1.0	1.0	-	-2.0	10.0
Lehman Brothers	Jan*	1.5	-0.2	1.90	1.3	1.4	5.0	-6.0	17 cc
Lombard St	Jan*	2.9	0.0	1.70	-	-	-	-6.1	10.0
Merrill Lynch	Jan*	-	-	1.60	-	1.3	-	-6.5	6.0 cc
Morgan Stanley	Jan*	1.9	0.1	1.60	0.2	0.2	-	-12.0	8.0
Natwest Group	Jan*	2.1	0.8	1.65	2.0	1.7	5.5	-6.3	8.0
Norwich Union IM	Jan*	2.5	-0.1	1.60	1.5	1.5	-	-12.0	14.0
Salomon S Barney /Citibank	Dec	-	-	-	-	-	-	-	-
Schroders	Jan*	1.6	-0.6	2.77	-	0.6	4.5	-14.0	10.0
S.G.	Jan*	0.7	-0.5	1.90	1.0	1.0	5.5	-1.3	12.0
Warburg Dillon Read	Dec	-	-	-	-	-	-	-	-
WestLB Panmure	Jan*	2.0	0.1	1.67	1.9	1.7	-	-4.5	8.0
Williams de Broe	Jan*	-	-0.4	1.71	1.8	1.6	5.9	-5.4	5.7 cc
<b>Non-City forecasters</b>									
BSL	Jan*	1.6	-0.6	1.83	1.6	1.6	5.1	2.5	10.2
Cambridge Econ	Dec	-	-	-	-	-	-	-	-
CBI	Nov*	1.2	-0.5	1.60	1.1	0.2	4.3	-9.9	7.5 cc
CEBR	Dec*	-0.5	-0.9	2.30	-	-0.7	-	-3.4	6.5
DRI	Dec	-	-	-	-	-	-	-	-
EIU	Jan*	2.2	-0.1	1.72	1.0	1.0	5.9	-6.7	7.7
Henley	Jan*	2.1	-1.6	2.02	-	-0.3	-	-11.7	12.0
ITEM Club	Nov	-	-	-	-	-	-	-	-
Liverpool Univ	Jan*	-	-	1.3	-	-	-	-5.2	-6.2
NIESR	Nov	-	-	-	-	1.0	-	-0.7	-
OEF	Jan*	2.1	-0.7	1.80	0.8	1.4	6.9	-5.3	11.0
WEFA	Jan*	2.0	-0.3	1.68	3.2	3.8	-	-2.0	-6.4
EC	Nov	-	0.4	-	1.6	-	-	-0.4 g	-
OECD	Dec	-	-0.2	-	-	1.4	-	-1.5 g	-
IMF	Oct	-	-	-	-	-	-	-	-
<b>Average of Forecasts made in last 3 months</b>									
Independent		1.9	-0.3	1.77	1.3	1.1	5.1	-6.6	9.1
New (marked *)		2.0	-0.3	1.75	1.3	1.1	5.2	-6.8	9.4
City		2.0	-0.2	1.77	1.3	1.1	4.9	-7.2	10.8
<b>Range of Forecasts made in last 3 months</b>									
Highest		3.0	0.8	2.77	3.2	3.8	6.9	2.5	20.0
Lowest		-0.5	-1.6	1.30	0.2	-0.7	3.2	-17.0	-6.4
HM Treasury	Nov	1¾-2¼	-	-	-	¾-1¼	5¾	-8¾	6.0

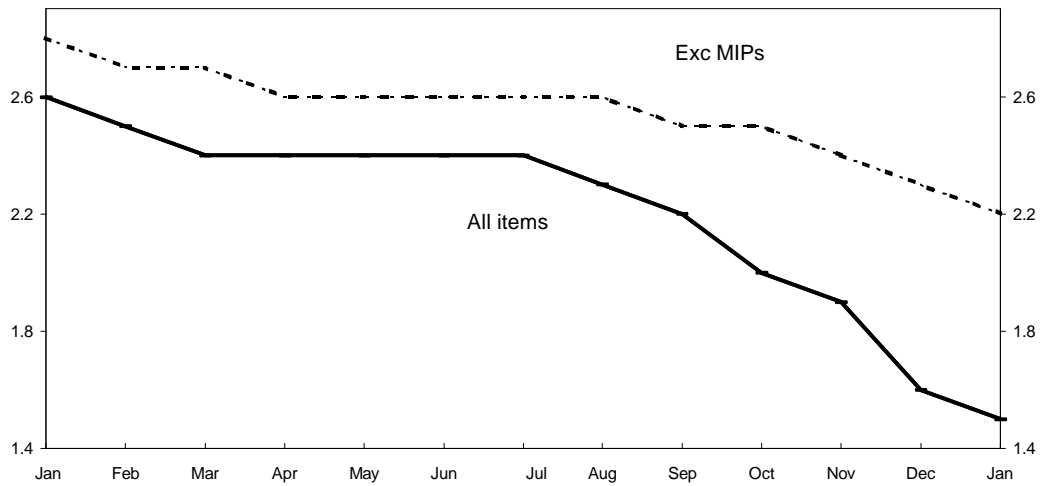
# Forecasts for 1999

Independent average, January 1998 - January 1999

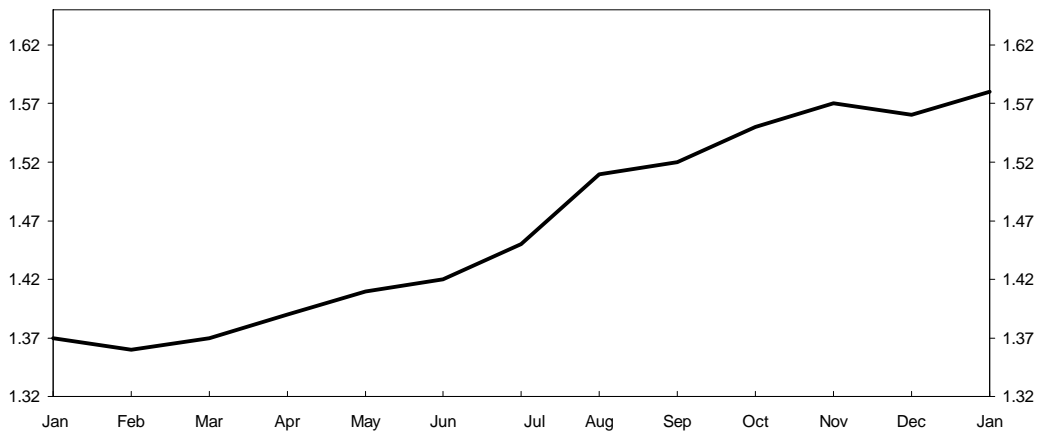
GDP growth  
(per cent)



Retail price  
inflation  
(Q4, per cent)



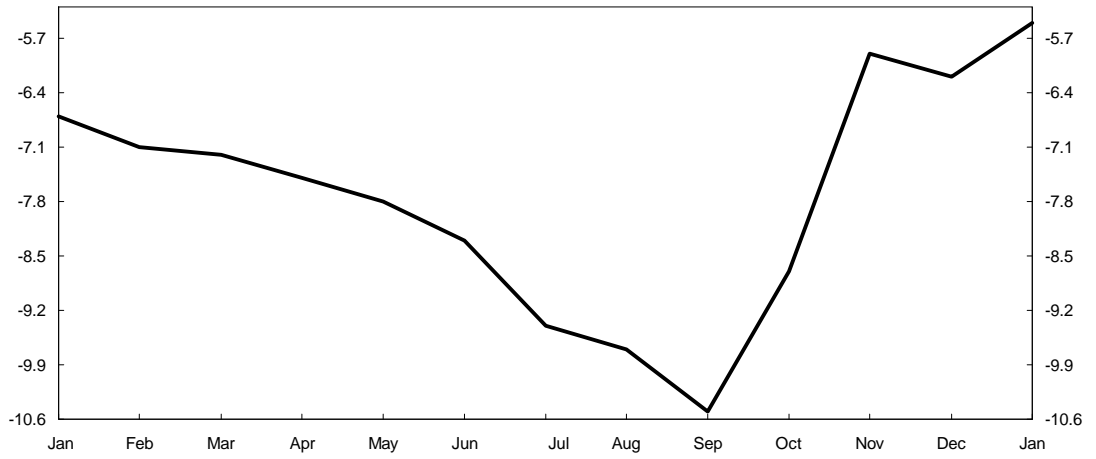
Claimant  
unemployment  
(Q4, millions)



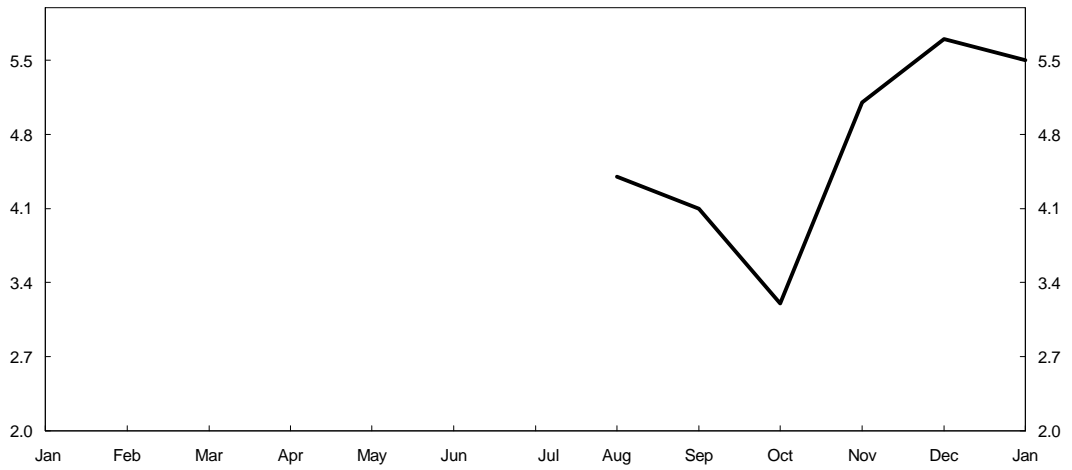
# Forecasts for 1999

Independent average, January 1998 - January 1999

Current account  
(£ billion)

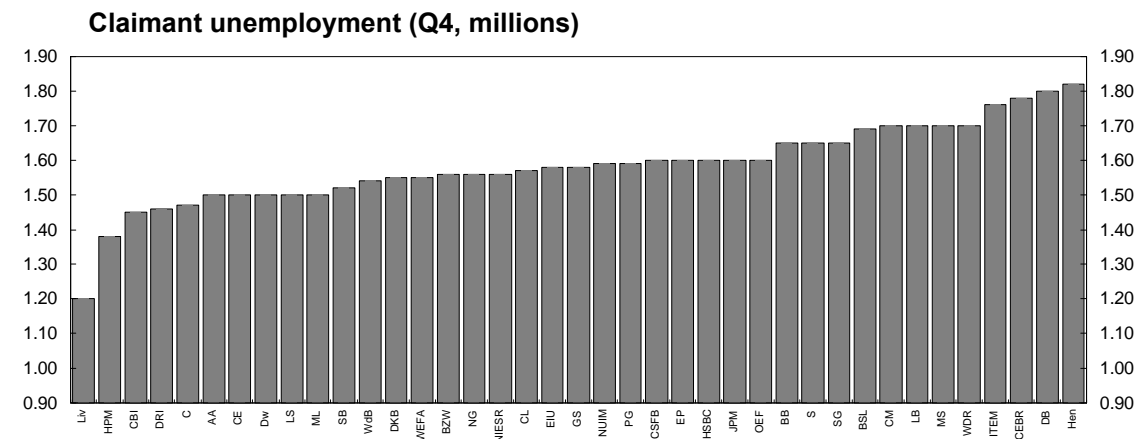
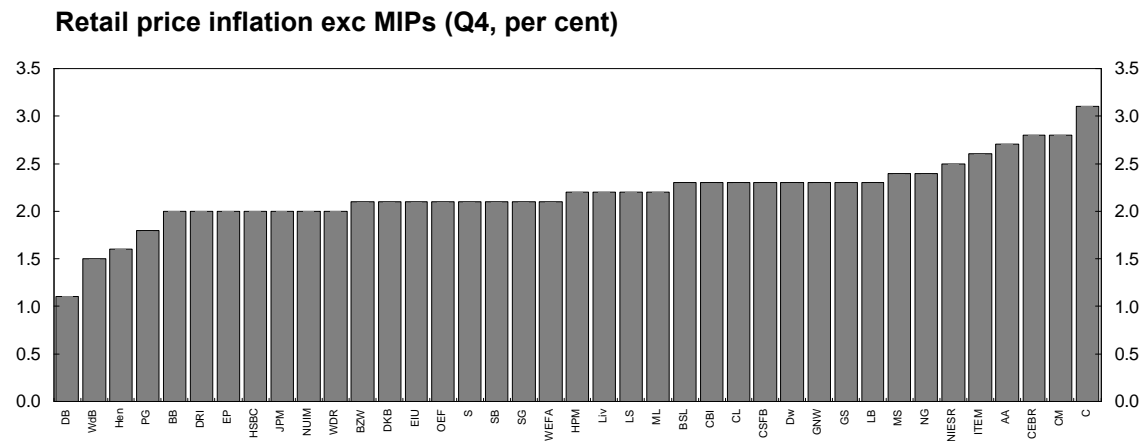
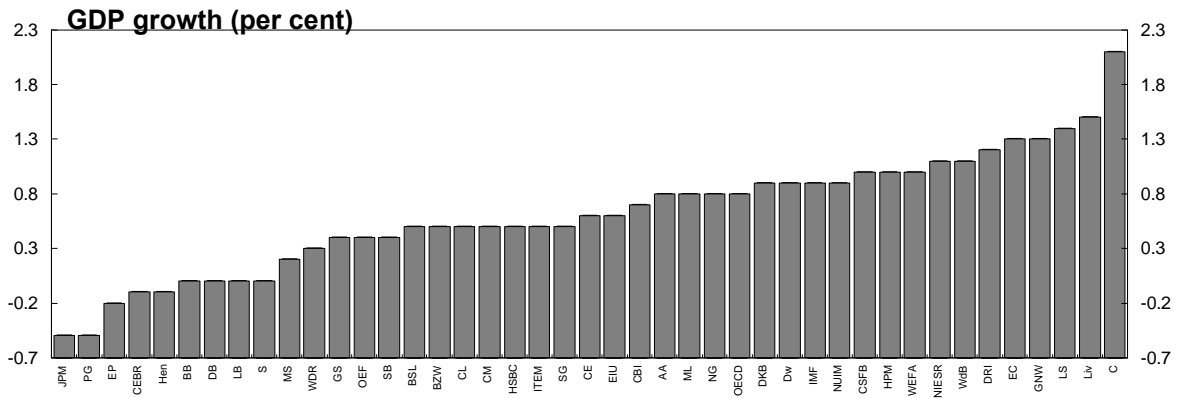


PSNB 1999-00  
(£ billion)



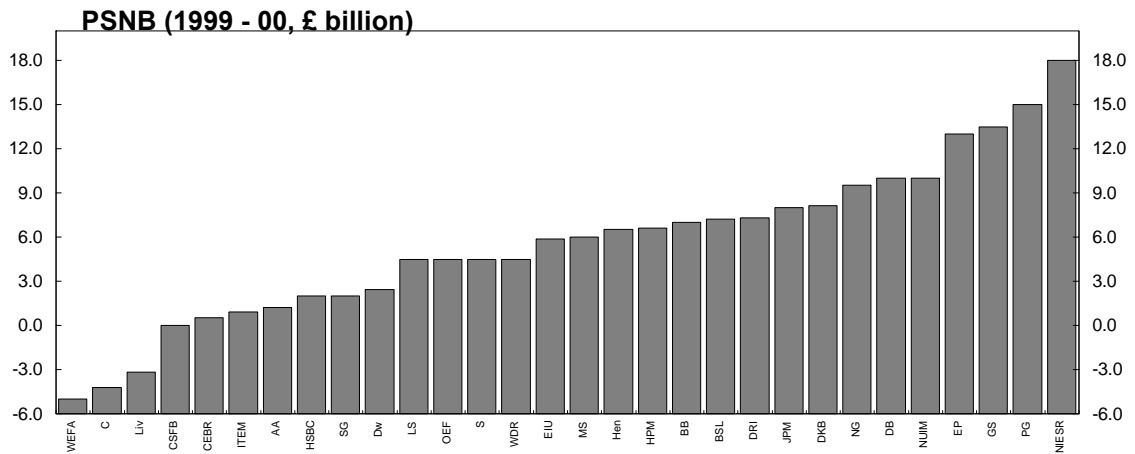
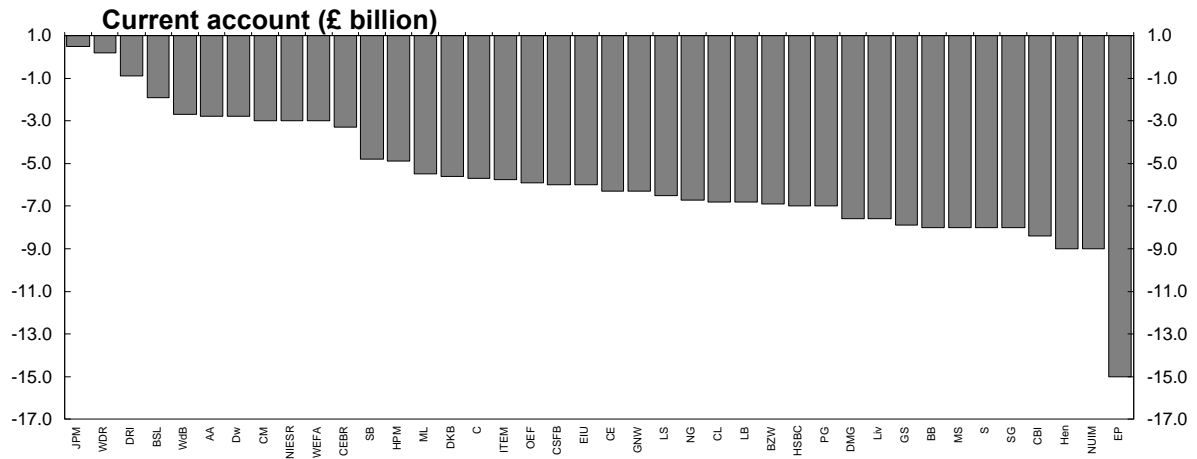
# Forecasts for 1999

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



# Forecasts for 1999

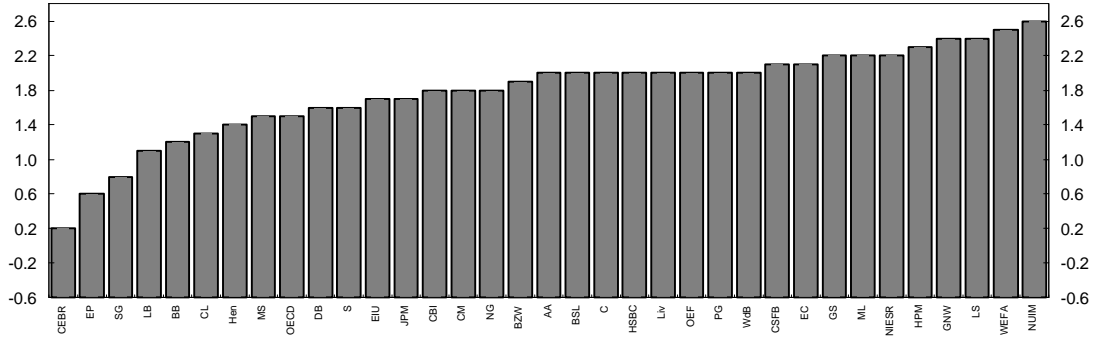
January 1999, range of forecasts ( made in last 3 months )



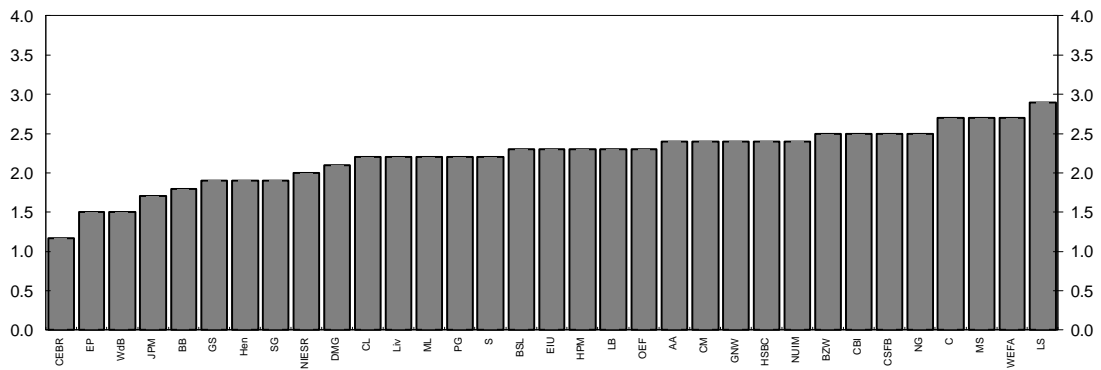
# Forecasts for 2000

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

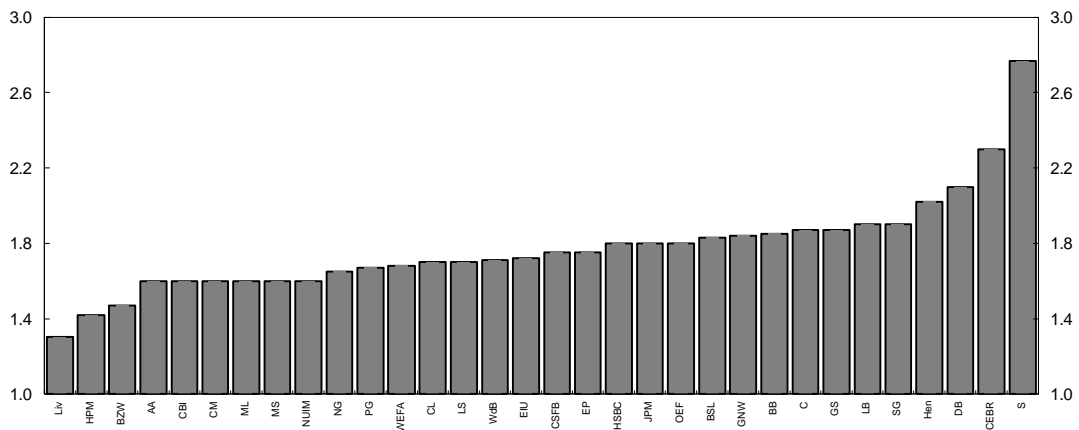
## GDP growth (per cent)



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

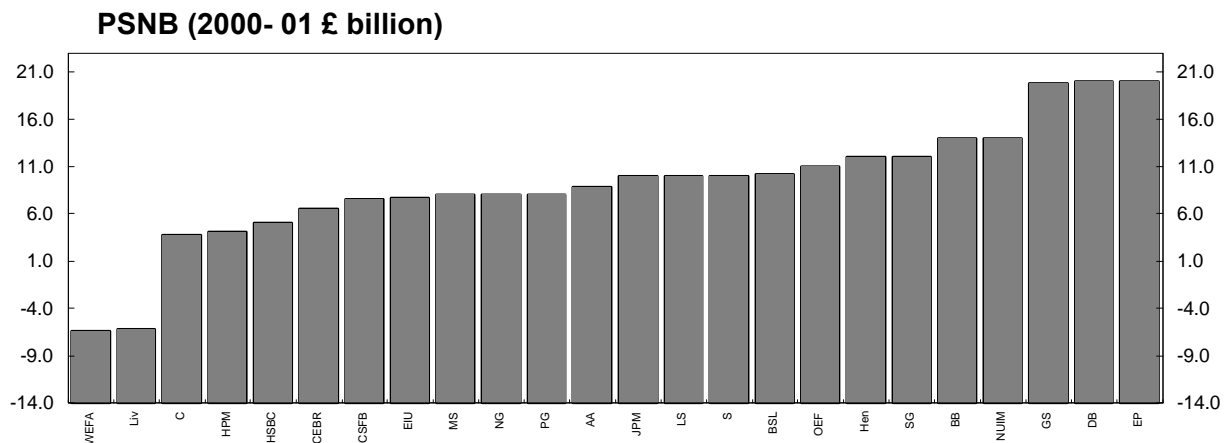
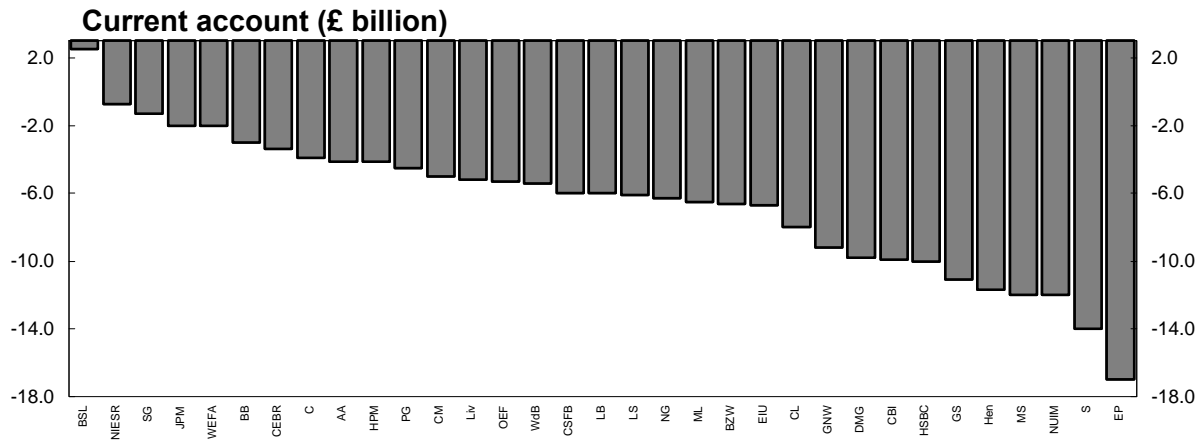


## Claimant unemployment (Q4, millions)



# Forecasts for 2000

January 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
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
- bb: Households only
- cc: PSNCR (FormerlyPSBR)

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**Organisation**

Abn Amro

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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	Janice Clark	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
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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
WEFA	Dixon Hawkins	0171 631 0757
WestLB Panmure	Stuart Weatherby	0171 860 3659
Williams de Broë	David Smith	0171 588 7511 ext 402