



HM Treasury

FORECAST FOR THE UK ECONOMY
A comparison of independent forecasts

Compiled by
Economic Assessment Team

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April 1998

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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Please direct enquiries on the contents of this issue to David Wakefield (0171 270 5503).

The next edition will be published on 13 May 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, April 1998

This edition of the comparison contains 26 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		April range		
	April	March	Lowest	Highest	
GDP growth (per cent)	2.3	2.3	1.1	3.3	2.3
Inflation rate (Q4: per cent)					
- RPI	3.0	3.0	1.6	4.5	3.1
- RPI exc MIPs	2.7	2.7	2.0	3.6	2.8
Claimant unemployment (Q4: mn)	1.32	1.30	1.10	1.48	1.32
Current account (£bn)	-6.5	-6.8	-18.0	2.1	-6.4
PSBR (1998-99: £bn)	1.6	3.0	-3.0	10.0	0.7

Forecasts for 1999

	Independent ⁺				Average of new* forecasts
	Averages		April range		
	April	March	Lowest	Highest	
GDP growth (per cent)	1.9	2.0	1.0	3.1	1.9
Inflation rate (Q4: per cent)					
- RPI	2.4	2.4	1.6	4.2	2.4
- RPI exc MIPs	2.6	2.7	1.0	4.4	2.7
Claimant unemployment (Q4: mn)	1.39	1.37	1.07	1.69	1.41
Current account (£bn)	-7.5	-7.2	-21.3	5.2	-7.1
PSBR (1999-00 : £bn)	1.3	3.0	-10.5	17.0	0.7

⁺Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (April 26 institutions, March 23 institutions, February 30 institutions).

*Based on new forecasts received for the comparison this month

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

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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	Apr*	2.5	3.8	0.9	5.8	1.7	3.5	3.6	6.9
Barclays Bank	Apr*	2.5	4.0	1.4	6.5	1.5	3.8	3.6	7.9
Barclays Capital	Apr*	2.3	3.8	1.4	3.3	2.6	3.3	3.0	6.9
Charterhouse	Apr*	3.3	3.6	0.4	6.3	2.4	3.5	3.3	6.4
Chase Manhattan	Apr*	1.6	2.7	1.0	4.0	1.6	2.4	3.4	5.9
Credit Lyonnais	Feb	2.5	3.5	-0.5	5.0	3.8	-	4.2	6.3
Credit Suisse First Boston	Apr*	2.3	3.5	0.8	3.0	1.6	2.8	3.2	5.7
Daiwa Europe Ltd/DIR	Apr*	2.3	3.6	1.0	4.0	7.5	4.0	2.8	7.5
D M Grenfell	Apr*	2.8	4.7	0.8	5.4	2.0	4.0	3.1	7.2
Dresdner Kleinwort B	Apr*	1.6	2.7	1.2	4.6	2.1	3.0	0.4	3.8
Economic Perspectives	Feb	1.9	2.4	1.5	6.0	3.0	2.9	3.2	6.0
Goldman Sachs	Apr*	2.2	4.2	1.0	4.5	1.1	3.5	3.0	7.7
Greenwich Natwest	Apr*	2.0	3.3	1.3	5.0	1.2	3.0	1.7	5.4
Hermes	Feb	2.3	3.5	1.4	6.3	3.6	3.6	3.9	7.8
HSBC Econ & Strategy	Mar	2.5	3.5	2.0	3.0	3.0	3.2	3.5	6.5
J P Morgan	Apr*	2.4	3.7	0.9	6.1	4.2	3.5	3.8	7.4
Lehman Brothers	Apr*	2.6	4.2	0.9	3.8	1.8	3.9	2.0	5.6
Lombard St	Apr*	2.5	3.3	1.8	5.2	4.8	3.4	4.2	7.3
Merrill Lynch	Apr*	2.5	4.0	1.3	5.0	-	-	4.5	5.0
Morgan Stanley	Apr*	2.5	3.8	2.0	5.0	3.1	3.7	1.4	6.2
Natwest Group	Apr*	2.2	3.7	0.9	3.6	1.5	3.1	3.5	6.1
Nikko Europe	Mar	2.0	3.4	0.4	5.5	2.4	3.1	3.6	6.3
Norwich Union IM	Apr*	2.7	3.9	1.2	4.9	3.0	3.6	3.3	7.3
Panmure Gordon	Feb	2.6	3.7	2.7	3.6	4.0	3.6	3.8	6.4
Salomon Brothers	Mar	1.5	3.8	1.1	3.8	2.9	3.4	1.5	7.8
Schroders	Apr*	2.1	3.4	0.3	5.7	3.0	3.2	3.6	6.7
Societe Generale	Mar	2.3	3.2	1.4	3.8	2.2	2.9	3.9	5.6
S B C Warburg	Apr*	2.2	3.9	0.8	3.6	-	3.1	2.9	6.5
Williams de Broe	Apr*	2.4	3.7	1.2	5.5	3.5	3.7	1.7	5.8

Non-City forecasters

BSL	Apr*	2.1	3.8	0.8	2.4	3.6	3.2	3.4	6.7
Cambridge Econ	Mar	2.5	3.5	0.7	3.4	3.0	2.8	4.7	6.1
CBI	Feb	2.2	3.8	1.7	4.8	2.3	3.4	3.0	5.9
CEBR	Apr*	1.1	2.5	1.7	3.8	-1.9	2.3	1.9	6.0
DRI	Jan	2.1	2.5	2.0	4.0	2.1	2.6	4.1	6.4
EIU	Jan	2.1	3.1	1.4	3.7	3.2	2.8	5.3	7.5
Henley	Feb	2.3	3.1	1.8	2.9	3.1	3.1	4.0	5.2
ITEM Club	Mar	2.2	3.8	1.3	5.0	3.2	3.6	3.0	6.9
LBS	Feb	2.2	3.7	1.6	4.7	2.2	3.4	3.8	7.2
Liverpool Univ	Apr*	2.4	3.2 c	1.3 d	6.0 e	-	3.8	-	-
NIESR	Feb	1.9	2.9	1.0	3.1	2.6	2.5	2.0	3.9
OEF	Apr*	2.2	3.7	1.2	4.9	1.6	3.3	3.2	6.8
WEFA	Apr*	2.5	3.6	1.3	3.9	1.2	3.0	3.1	5.4
EC	Jan	2.1	3.4	1.2	5.7	0.3 g	3.1	3.1	6.2
OECD	Jan	2.2	3.7	0.8	5.5	-	3.4	3.9	7.9
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		2.3	3.6	1.2	4.5	2.6	3.3	3.1	6.4
New (marked *)		2.3	3.6	1.1	4.6	2.4	3.3	2.9	6.4
City		2.3	3.6	1.1	4.8	2.8	3.4	3.1	6.5

Range of Forecasts made in last 3 months

Highest		3.3	4.7	2.7	6.5	7.5	4.0	4.7	7.9
Lowest		1.1	2.4	-0.5	2.4	-1.9	2.3	0.4	3.8

HM Treasury	Mar	2-2½	3¼-4	1¼	4¾-5¼	1.2 - 1.5	3¼-3¾	3¼-3½	7½-8
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Table 2

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts	RPI	RPI exc	Average	Sterling	3- month interest	Oil	M0	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1998-99)		
City forecasters									
Abn Amro	Apr*	3.5	2.9	5.0	96.6	7.45	16.0	4.4	6.9
Barclays Bank	Apr*	3.7	3.1	4.8	100.0	7.50	15.0	5.0	8.0
Barclays Capital	Apr*	2.5	2.5	4.6	95.9	6.75	-	5.5	6.0
Charterhouse	Apr*	4.5	3.6	5.2	96.9	8.35	-	5.0	6.2
Chase Manhattan	Apr*	2.7	2.7	4.5	97.0	7.20	14.0	5.5	8.5
Credit Lyonnais	Feb	2.9	2.4	-	97.0	7.20	17.5	5.7	7.7
Credit Suisse First Boston	Apr*	3.1	2.8	4.5	-	7.00	-	6.0	9.0
Daiwa Europe Ltd/DIR	Apr*	3.3	2.7	5.0	101.2	7.25	-	-	-
D M Grenfell	Apr*	3.3	2.9	5.3	96.3	7.75	16.8	6.2	7.5
Dresdner Kleinwort B	Apr*	2.5	2.5	4.9	102.5	6.60	-	-	-
Economic Perspectives	Feb	2.7	2.3	4.4	98.0	6.50	16.0	5.0	8.5
Goldman Sachs	Apr*	3.6	2.8	5.1	95.0	7.80	14.9	4.0 jk	9.7 jk
Greenwich Natwest	Apr*	2.8	2.4	4.5	102.0	7.30	15.5	-	-
Hermes	Feb	2.6	2.5	4.9	-	7.00	-	-	-
HSBC Econ & Strategy	Mar	2.5	2.2	4.5	93.3	7.30	16.0	5.0	8.0
J P Morgan	Apr*	3.2	3.0	5.0	96.0	7.50	-	-	-
Lehman Brothers	Apr*	3.2	2.8	5.0	100.7	7.50	15.0	6.5	9.0
Lombard St	Apr*	3.7	3.4	5.5	96.0	8.20	15.5	-	7.5
Merrill Lynch	Apr*	3.2	3.0	5.0	-	7.50	-	6.0	9.0
Morgan Stanley	Apr*	3.3	3.0	5.0	104.7	7.20	-	5.8	8.2
Natwest Group	Apr*	3.1	2.6	4.5	99.6	6.85	14.0	5.2	6.3
Nikko Europe	Mar	3.0	2.6	4.8	95.0	7.10	-	5.5	8.0
Norwich Union IM	Apr*	3.3	3.1	5.0	102.8	7.25	16.0	7.0	9.0
Panmure Gordon	Feb	2.1	2.5	5.0	96.5	7.00	-	6.0	9.1
Salomon Brothers	Mar	2.6	2.2	4.9	99.0	7.00	16.0	-	-
Schroders	Apr*	3.0	3.0	5.2	102.0	7.00	16.8	-	-
Societe Generale	Mar	-	2.8	5.0	99.0	7.00	15.0	6.8	10.0
S B C Warburg	Apr*	2.2	2.6	4.3	-	6.80	-	5.2	9.8
Williams de Broe	Apr*	2.6	2.3	4.7	106.4	7.30	14.7	4.6	10.5
Non-City forecasters									
BSL	Apr*	3.0	2.5	4.5	99.6	7.50	16.1	-	-
Cambridge Econ	Mar	3.2 k	2.8 k	4.5	97.8 k	7.10 ks	19.0	-	-
CBI	Feb	2.7	2.3	4.7	99.1	7.25 s	16.6	-	-
CEBR	Apr*	3.1	3.0	5.0	106.0	7.73	12.7	-	-
DRI	Jan	2.3	2.3	4.6	98.9	7.32	18.7	5.6	6.7
EIU	Jan	2.8	2.6	4.0	101.0	7.10	17.5	-	-
Henley	Feb	2.7	2.4	4.6	-	7.10	-	-	-
ITEM Club	Mar	3.2	2.8	5.0	103.5	7.50	15.0	6.7	7.6
LBS	Feb	3.0	2.7	4.9	102.2	7.00 s	18.0	1.8	8.5
Liverpool Univ	Apr*	1.6	2.0	4.6	99.8	6.40	-	-	-
NIESR	Feb	3.3	2.4	4.8	100.6	7.50	18.2	3.5	11.5
OEF	Apr*	3.2	2.7	4.9	103.8	7.00	14.6	5.6	9.0
WEFA	Apr*	2.7	2.4	4.8	98.0	7.70	15.3	-	-
EC	Jan	2.5	-	4.9	-	7.00	19.3	-	-
OECD	Jan	-	-	-	-	7.40	18.3	-	-
IMF	Jan	-	2.7	4.9i	-	-	19.0	-	-
Average of Forecasts made in last 3 months									
Independent		3.0	2.7	4.8	99.5	7.26	15.8	5.4	8.4
New (marked *)		3.1	2.8	4.9	99.9	7.32	15.2	5.6	8.2
City		3.0	2.7	4.9	98.8	7.25	15.6	5.6	8.2
Range of Forecasts made in last 3 months									
Highest		4.5	3.6	5.5	106.4	8.35	19.0	7.0	11.5
Lowest		1.6	2.0	4.3	93.3	6.40	12.7	1.8	6.0
HM Treasury	Mar	-	2%	-	-	-	-	-	-

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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 98-99)	
City forecasters									
Abn Amro	Apr*	2.1	1.0	1.39	0.3	0.1	6.0	-6.7	-0.9
Barclays Bank	Apr*	2.5	1.5	1.45	-	0.5	-	-6.0	2.0
Barclays Capital	Apr*	3.1	0.5	1.48	0.5	0.6	-	-5.1	1.0
Charterhouse	Apr*	2.9	1.2	1.14	0.2	0.5	-	-5.6	-3.0
Chase Manhattan	Apr*	3.0	1.0	1.20	0.0	0.0	-	-10.0	2.0
Credit Lyonnais	Feb	-	-	1.30	2.2	1.0	5.0	-7.4	4.1
Credit Suisse First Boston	Apr*	3.0	1.0	1.45	0.5	0.5	-	-6.0	0.0
Daiwa Europe Ltd/DIR	Apr*	2.0	0.2	1.30	-	-	-	-4.8	2.0
D M Grenfell	Apr*	3.0	1.0	1.32	0.2	0.6	-	-11.0	1.0
Dresdner Kleinwort B	Apr*	2.6	1.3	1.25	-0.3	-0.6	-	-7.9	8.4
Economic Perspectives	Feb	1.5	0.6	1.40	1.2	0.5	4.0	-8.0	10.0
Goldman Sachs	Apr*	2.9	0.9	1.37	-0.3	-0.4	-	-6.7	2.2
Greenwich Natwest	Apr*	1.3	1.0	1.45	0.2	0.1	5.2	-6.0	0.7
Hermes	Feb	2.7	1.2	1.30	-	1.2	-	-10.0	2.0
HSBC Econ & Strategy	Mar	2.5	0.4	1.30	1.0	1.0	6.0	-7.0	0.0
J P Morgan	Apr*	2.6	1.2	1.15	1.5	1.5	-	-8.1	0.0
Lehman Brothers	Apr*	2.8	1.3	1.10	1.1	1.0	6.0	-5.0	-2.0
Lombard St	Apr*	3.0	0.6	1.20	-	-	-	-10.1	-2.0
Merrill Lynch	Apr*	-	-	1.20	-	1.0	-	-6.0	1.0
Morgan Stanley	Apr*	2.4	1.5	1.40	-0.1	0.3	-	-10.0	-2.0
Natwest Group	Apr*	3.0	0.8	1.38	-0.3	0.4	6.0	-3.6	1.4
Nikko Europe	Mar	2.5	0.7	1.30	1.5	1.5	-	-6.0	4.0
Norwich Union IM	Apr*	3.0	1.2	1.30	1.0	1.0	-	-10.0	2.0
Panmure Gordon	Feb	2.5	1.3	1.31	-0.5	-0.3	-	-6.0	3.0
Salomon Brothers	Mar	2.2	0.8	1.25	1.0	1.0	-	-18.0	0.0
Schroders	Apr*	2.5	0.9	1.28	1.4	1.4	6.0	-11.6	1.5
Societe Generale	Mar	2.5	1.0	1.30	1.0	0.7	5.0	-7.0	1.0
S B C Warburg	Apr*	2.6	1.0	1.40	-	0.3	-	2.1	2.9
Williams de Broe	Apr*	-	0.6	1.46	-0.5	-0.5	10.1	0.0	2.4
Non-City forecasters									
BSL	Apr*	4.0	1.3	1.28	-0.1	-0.2	6.5	-7.4	1.1
Cambridge Econ	Mar	2.5	1.1	1.50 k	1.7	1.2	3.7	-4.0	7.3 k
CBI	Feb	3.1	1.5	1.31	1.7	1.3	4.7	-7.0	3.4
CEBR	Apr*	-0.2	0.3	1.43	-	-1.6	-	-1.6	-2.6
DRI	Jan	2.1	1.5	1.23	2.2	3.0	7.5	-2.0	7.1
EIU	Jan	-	0.8	1.37	1.4	-	6.7	-3.7	5.0
Henley	Feb	1.7	0.6	1.41	-	2.3	-	-3.1	-
ITEM Club	Mar	2.8	1.3	1.30	-	0.0	6.9	-7.9	-0.1
LBS	Feb	3.1	1.6	1.32	-	0.1	-	-3.0	5.4
Liverpool Univ	Apr*	-	-	1.26	-	-	-	-5.2	-2.9
NIESR	Feb	1.3	1.2	1.37	-	0.7	5.6	-0.9	6.7
OEF	Apr*	2.3	1.0	1.30	0.1	0.2	6.5	-5.9	0.2
WEFA	Apr*	3.1	1.5	1.30	0.3	0.5	7.8	-8.1	3.0
EC	Jan	2.1	0.5	-	1.4	-	-	-0.5 g	-
OECD	Jan	-	0.8	-	-	1.8	8.7	-1.0 g	-0.5 g
IMF	Jan	-	0.9	-	-	-	-	-1.2 g	-0.6 g
Average of Forecasts made in last 3 months									
Independent		2.5	1.0	1.32	0.6	0.5	5.9	-6.5	1.5
New (marked *)		2.6	1.0	1.32	0.3	0.3	6.7	-6.4	0.7
City		2.6	1.0	1.31	0.6	0.6	5.9	-7.2	1.5
Range of Forecasts made in last 3 months									
Highest		4.0	1.6	1.48	2.2	2.3	10.1	2.1	10.0
Lowest		-0.2	0.2	1.10	-0.5	-1.6	3.7	-18.0	-3.0
HM Treasury	Mar	2-2½	-	-	-	0-½	7	-6½	2.3

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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
City forecasters									
Abn Amro	Apr*	2.1	2.3	1.0	4.7	1.8	2.5	4.9	5.4
Barclays Bank	Apr*	1.3	2.0	1.8	2.4	3.0	1.9	4.4	4.8
Barclays Capital	Apr*	2.4	2.4	2.4	3.8	2.0	2.5	4.6	4.9
Charterhouse	Apr*	3.1	2.1	0.8	5.6	1.6	2.4	6.6	5.0
Chase Manhattan	Apr*	2.1	2.5	1.0	4.4	2.0	2.6	2.9	4.5
Credit Lyonnais	Feb	1.9	2.9	0.1	3.4	1.6	-	3.9	4.0
Credit Suisse First Boston	Apr*	2.0	2.5	1.1	3.0	2.0	2.4	4.4	5.4
Daiwa Europe Ltd/DIR	Apr*	1.9	2.3	2.0	1.7	6.5	2.0	5.7	5.3
D M Grenfell	Apr*	2.1	2.5	1.5	3.9	1.9	2.2	3.3	3.3
Dresdner Kleinwort B	Apr*	1.6	1.5	1.9	3.2	2.4	1.7	4.2	5.3
Economic Perspectives	Feb	1.7	2.0	2.4	5.0	1.5	2.4	3.0	5.0
Goldman Sachs	Apr*	1.9	2.5	1.0	3.6	-0.3	2.2	5.2	5.7
Greenwich Natwest	Apr*	2.0	2.1	2.3	2.9	1.2	2.3	4.2	4.7
Hermes	Feb	2.0	2.3	1.2	5.0	3.6	2.6	4.0	5.6
HSBC Econ & Strategy	Mar	2.0	2.0	1.5	3.0	2.0	1.9	5.0	4.5
J P Morgan	Apr*	1.1	2.1	1.1	4.9	1.1	1.9	2.9	5.3
Lehman Brothers	Apr*	1.8	2.4	1.0	3.0	2.2	2.3	2.5	3.9
Lombard St	Apr*	2.0	2.4	1.8	0.8	2.0	1.6	6.3	4.9
Merrill Lynch	Apr*	1.8	1.8	1.3	2.0	-	-	6.5	6.0
Morgan Stanley	Apr*	2.4	2.4	1.6	4.0	3.3	2.5	5.7	5.0
Natwest Group	Apr*	1.7	1.5	0.8	1.2	1.6	1.3	4.7	3.2
Nikko Europe	Mar	2.0	2.4	0.9	4.3	1.6	2.4	4.6	5.4
Norwich Union IM	Apr*	2.1	2.3	1.6	2.8	2.6	2.2	3.3	3.3
Panmure Gordon	Feb	2.6	3.2	2.2	5.9	1.3	3.0	5.7	6.7
Salomon Brothers	Mar	2.1	2.6	0.8	3.0	1.9	2.2	8.8	8.2
Schroders	Apr*	1.3	1.9	1.1	2.5	2.0	1.7	2.9	3.8
Societe Generale	Mar	1.5	2.1	1.2	3.8	1.6	2.1	3.2	4.2
S B C Warburg	Apr*	1.8	2.3	0.8	2.7	-	2.1	3.6	4.2
Williams de Broe	Apr*	1.5	2.8	2.0	2.6	1.8	2.3	0.9	2.8
Non-City forecasters									
BSL	Apr*	1.8	1.6	1.1	0.9	1.4	1.0	6.4	3.6
Cambridge Econ	Mar	1.7	1.8	0.9	2.2	1.8	1.5	3.6	3.3
CBI	Feb	2.0	1.9	1.3	2.0	1.2	1.6	4.8	3.2
CEBR	Apr*	1.0	2.4	2.0	2.4	5.3	2.5	1.1	5.1
DRI	Jan	1.8	0.6	3.1	5.5	0.8	1.4	4.2	3.0
EIU	Jan	1.9	1.9	1.4	2.5	2.5	1.8	6.1	5.8
Henley	Feb	1.6	2.3	0.9	3.0	2.0	2.9	5.8	6.2
ITEM Club	Mar	1.9	2.1	0.6	4.5	2.2	2.1	4.3	4.5
LBS	Feb	1.8	2.5	1.4	2.3	1.3	2.1	4.2	4.6
Liverpool Univ	Apr*	3.1	2.1 c	2.3 d	4.7 e	-	2.8	-	-
NIESR	Feb	2.1	2.5	1.2	3.8	0.8	2.2	3.5	3.4
OEF	Apr*	1.9	2.3	1.8	1.3	3.2	2.2	5.7	5.8
WEFA	Apr*	2.2	2.4	2.1	2.0	1.5	2.3	5.5	5.4
EC	Jan	2.3	2.4	1.4	3.8	0.1 g	2.4	5.5	5.6
OECD	Jan	2.1	2.3	1.2	3.5	-	2.3	5.1	5.4
IMF	Jan	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months									
Independent		1.9	2.2	1.4	3.2	2.1	2.2	4.4	4.8
New (marked *)		1.9	2.2	1.5	3.0	2.3	2.1	4.3	4.7
City		1.9	2.3	1.4	3.4	2.1	2.2	4.4	4.8
Range of Forecasts made in last 3 months									
Highest		3.1	3.2	2.4	5.9	6.5	3.0	8.8	8.2
Lowest		1.0	1.5	0.1	0.8	-0.3	1.0	0.9	2.8
HM Treasury	Mar	1¾-2¼	1¾-2¼	2	2¾-3¼	2.4 - 3.4	2¼-2¾	4½-5	5½-6

1999

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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	Sterling index(Q4)	3- month interest rate(Q4,%)	Oil price (\$)	M0 (1999-00)	M4	
City forecasters									
Abn Amro	Apr*	3.5	3.4	4.8	90.7	7.45	17.5	4.9	5.0
Barclays Bank	Apr*	1.6	2.7	4.5	92.0	5.50	15.0	4.0	5.0
Barclays Capital	Apr*	2.3	2.5	4.6	93.0	6.25	-	4.5	6.0
Charterhouse	Apr*	2.4	2.7	4.8	95.7	7.40	-	4.3	7.4
Chase Manhattan	Apr*	2.2	2.5	4.0	95.0	6.00	18.0	5.0	8.0
Credit Lyonnais	Feb	2.4	2.6	-	96.5	6.50	20.0	-	-
Credit Suisse First Boston	Apr*	2.3	2.5	4.5	-	6.00	-	5.0	9.0
Daiwa Europe Ltd/DIR	Apr*	2.3	2.7	4.6	97.7	6.25	-	-	-
D M Grenfell	Apr*	2.7	3.0	5.0	90.8	7.00	18.3	5.7	6.8
Dresdner Kleinwort B	Apr*	1.7	2.1	4.0	102.5	6.40	-	-	-
Economic Perspectives	Feb	2.5	2.0	3.7	88.0	5.70	17.0	4.5	6.0
Goldman Sachs	Apr*	3.4	3.3	4.9	93.0	7.10	16.9	3.6 jk	8.6 jk
Greenwich Natwest	Apr*	1.8	2.4	4.2	100.0	6.33	18.0	-	-
Hermes	Feb	2.0	2.3	4.5	-	6.50	-	-	-
HSBC Econ & Strategy	Mar	2.1	2.4	4.0	93.2	7.00	17.0	5.0	6.0
J P Morgan	Apr*	2.4	3.0	4.8	86.0	6.00	-	-	-
Lehman Brothers	Apr*	1.7	2.3	4.8	92.9	6.20	17.0	6.0	7.0
Lombard St	Apr*	4.2	4.4	6.0	90.0	7.50	17.0	-	4.9
Merrill Lynch	Apr*	2.7	3.0	5.2	-	6.70	-	5.5	7.0
Morgan Stanley	Apr*	2.5	2.7	4.5	100.3	7.00	-	5.6	8.8
Natwest Group	Apr*	2.0	2.5	4.5	95.9	6.10	15.0	5.4	5.7
Nikko Europe	Mar	2.5	2.7	4.5	95.0	6.60	-	5.0	7.8
Norwich Union IM	Apr*	2.4	2.8	4.5	100.6	6.00	18.0	4.0	6.0
Panmure Gordon	Feb	2.0	2.4	4.7	90.5	6.50	-	5.2	7.2
Salomon Brothers	Mar	2.2	2.4	5.0	96.0	6.60	18.0	-	-
Schroders	Apr*	2.0	2.4	5.0	97.0	6.25	17.0	-	-
Societe Generale	Mar	-	2.5	4.5	95.0	6.00	16.0	6.0	9.0
S B C Warburg	Apr*	2.6	2.4	4.0	-	6.30	-	4.5	8.6
Williams de Broe	Apr*	1.7	1.9	4.4	103.4	6.80	15.2	2.6	12.0
Non-City forecasters									
BSL	Apr*	3.1	3.0	4.4	97.0	7.20	16.6	-	-
Cambridge Econ	Mar	2.4 k	2.6 k	4.3	92.4 k	6.30 ks	19.7	-	-
CBI	Feb	2.3	2.5	4.8	95.0	6.25 s	18.0	-	-
CEBR	Apr*	1.6	1.0	4.1	107.2	7.16	12.0	-	-
DRI	Jan	2.2	2.2	3.6	93.2	7.05	18.3	3.9	5.0
EIU	Jan	2.4	2.3	4.5	98.0	6.10	17.9	-	-
Henley	Feb	-	2.5	4.2	-	7.00	-	-	-
ITEM Club	Mar	2.6	2.8	5.2	98.5	7.00	16.8	4.4	4.7
LBS	Feb	2.2	2.5	4.6	95.3	6.00	19.0	2.0	16.1
Liverpool Univ	Apr*	2.5	2.5	4.4	94.0	6.80	-	-	-
NIESR	Feb	2.3	2.5	4.5	97.7	6.50	19.0	3.0	12.1
OEF	Apr*	2.2	2.6	4.8	96.8	6.30	16.2	4.3	10.0
WEFA	Apr*	2.2	2.6	4.6	94.0	7.00	18.0	-	-
EC	Jan	2.0	-	4.8	-	6.30	20.0	-	-
OECD	Jan	-	-	-	-	7.20	18.4	-	-
IMF	Jan	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months									
Independent		2.4	2.6	4.6	95.5	6.55	17.2	4.6	7.8
New (marked *)		2.4	2.7	4.6	95.9	6.58	16.6	4.8	7.3
City		2.4	2.6	4.6	94.8	6.48	17.1	4.9	7.2
Range of Forecasts made in last 3 months									
Highest		4.2	4.4	6.0	107.2	7.50	20.0	6.0	16.1
Lowest		1.6	1.0	3.7	86.0	5.50	12.0	2.0	4.7
HM Treasury	Mar	-	2½	-	-	-	-	-	-

1999

April 1998

Table 6

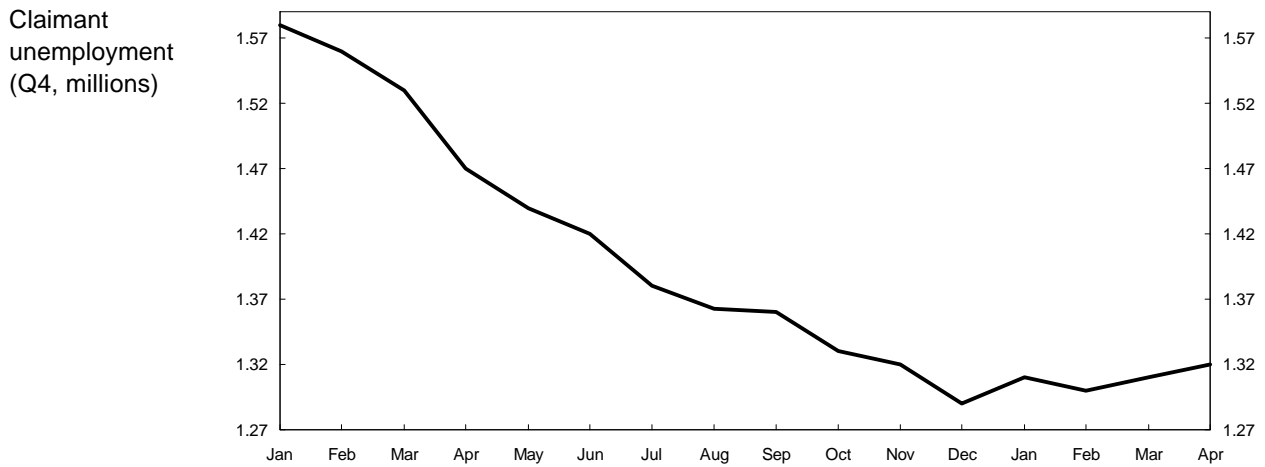
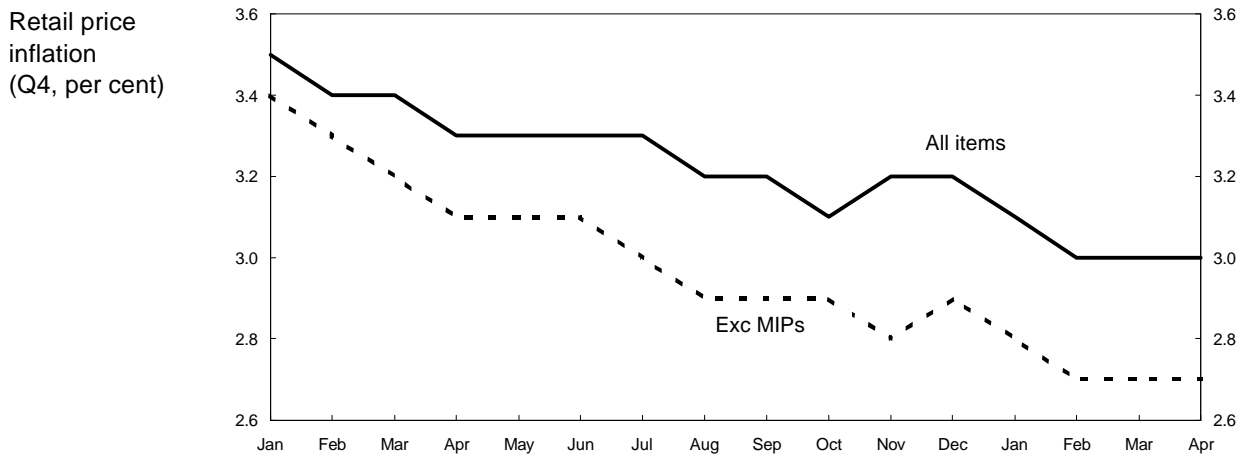
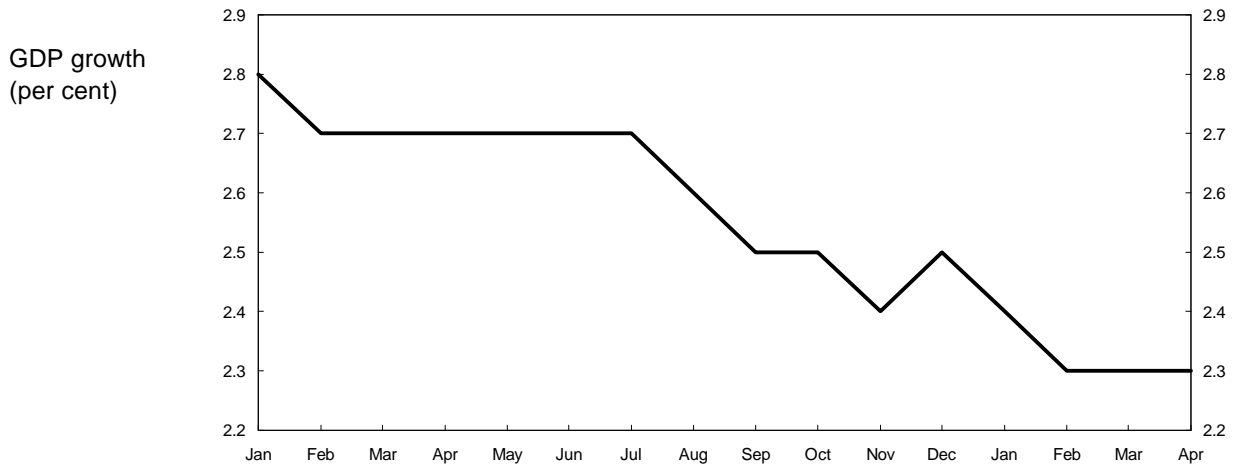
Other variables

Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RPDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manufg output	World Trade	Current account (£ bn)	PSBR (£ bn 99-00)
City forecasters									
Abn Amro Hoare Govett	Apr*	1.8	0.5	1.51	1.8	1.5	6.8	-8.9	-5.0
Barclays Bank	Apr*	1.8	0.0	1.60	-	0.8	-	-8.0	4.0
Barclays Capital	Apr*	2.4	0.0	1.42	2.5	2.5	-	-5.2	-1.0
Charterhouse	Apr*	1.7	0.1	1.26	2.8	2.7	-	-6.0	-4.9
Chase Manhattan	Apr*	1.9	0.0	1.30	1.0	1.0	-	-12.0	-2.0
Credit Lyonnais	Feb	-	-	1.36	2.8	2.2	6.2	-6.4	5.8
Credit Suisse First Boston	Apr*	2.8	0.0	1.55	1.0	1.0	-	-6.0	0.0
Daiwa Europe Ltd/DIR	Apr*	1.8	-0.3	1.50	-	-	-	-6.1	2.0
D M Grenfell	Apr*	2.0	0.0	1.45	1.6	1.6	-	-14.5	-1.0
Dresdner Kleinwort B	Apr*	1.2	0.2	1.32	1.0	0.7	-	-9.0	9.2
Economic Perspectives	Feb	2.0	0.4	1.60	2.0	1.8	4.0	-11.0	17.0
Goldman Sachs	Apr*	2.6	0.2	1.46	1.5	1.4	-	-8.5	-0.3
Greenwich Natwest	Apr*	1.7	0.0	1.43	1.5	1.4	5.4	-7.1	2.5
Hermes	Feb	1.5	0.0	1.35	-	2.0	-	-10.0	3.0
HSBC Econ & Strategy	Mar	1.6	-0.2	1.40	1.5	1.5	6.0	-5.0	-2.0
J P Morgan	Apr*	2.0	0.2	1.38	0.5	0.5	-	-9.7	0.0
Lehman Brothers	Apr*	2.5	0.5	1.20	2.3	2.0	7.0	-7.5	-4.0
Lombard St	Apr*	2.2	0.0	1.50	-	-	-	-13.1	2.0
Merrill Lynch	Apr*	-	-	1.30	-	1.8	-	-6.0	0.0
Morgan Stanley	Apr*	1.8	0.6	1.40	1.6	1.7	-	-7.0	-4.0
Natwest Group	Apr*	2.6	0.7	1.43	2.0	2.0	6.5	-2.7	0.4
Nikko Europe	Mar	2.5	0.0	1.40	1.6	1.6	-	-6.0	2.5
Norwich Union IM	Apr*	2.0	0.4	1.30	1.5	1.5	-	-5.0	7.0
Panmure Gordon	Feb	2.7	0.9	1.22	2.2	1.9	-	-10.0	-3.0
Salomon Brothers	Mar	2.4	0.4	1.19	2.0	2.0	-	-21.3	0.0
Schroders	Apr*	2.1	0.2	1.37	1.3	1.1	5.5	-11.9	5.0
Societe Generale	Mar	2.0	0.2	1.45	0.9	0.6	5.5	-9.0	0.0
S B C Warburg	Apr*	2.2	0.2	1.50	-	1.6	-	5.2	3.5
Williams de Broe	Apr*	-	-0.6	1.69	-0.1	-0.3	5.8	-4.7	6.6
Non-City forecasters									
BSL	Apr*	1.5	0.1	1.40	1.5	1.6	3.6	-4.0	7.7
Cambridge Econ	Mar	2.1	0.1	1.60 k	1.3	1.3	3.7	-5.7	9.6 k
CBI	Feb	2.4	0.6	1.34	3.0	2.5	6.3	-5.6	0.0
CEBR	Apr*	2.6	-1.0	1.64	-	-1.2	-	-3.2	0.2
DRI	Jan	0.1	0.4	1.58	2.6	3.0	6.2	6.6	4.6
EIU	Jan	-	-0.1	1.44	1.1	-	7.1	-6.2	4.0
Henley	Feb	1.7	-1.1	-	1.6	-	-	-4.3	-
ITEM Club	Mar	1.8	1.0	1.20	-	1.1	7.8	-9.8	-0.4
LBS	Feb	1.7	1.2	1.27	-	0.9	-	-7.1	5.4
Liverpool Univ	Apr*	-	-	1.07	-	-	-	-4.7	-10.5
NIESR	Feb	1.8	1.4	1.31	-	2.4	6.6	-1.8	3.0
OEF	Apr*	1.9	-0.2	1.40	1.3	1.4	7.3	-7.7	0.5
WEFA	Apr*	2.0	0.5	1.31	1.2	1.3	6.5	-12.0	0.0
EC	Jan	2.4	0.5	-	1.4	-	-	-0.7 g	-
OECD	Jan	-	0.4	-	-	2.0	7.7	-1.4 g	-
IMF	Jan	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months									
Independent		2.0	0.2	1.39	1.6	1.4	5.9	-7.5	1.3
New (marked *)		2.1	0.1	1.41	1.5	1.3	6.0	-7.1	0.7
City		2.1	0.2	1.41	1.6	1.5	5.9	-8.0	1.5
Range of Forecasts made in last 3 months									
Highest		2.8	1.4	1.69	3.0	2.7	7.8	5.2	17.0
Lowest		1.2	-1.1	1.07	-0.1	-1.2	3.6	-21.3	-10.5
HM Treasury	Mar	1¼-1¾	-	-	-	1-1½	7	-6%	3.1

Forecasts for 1998

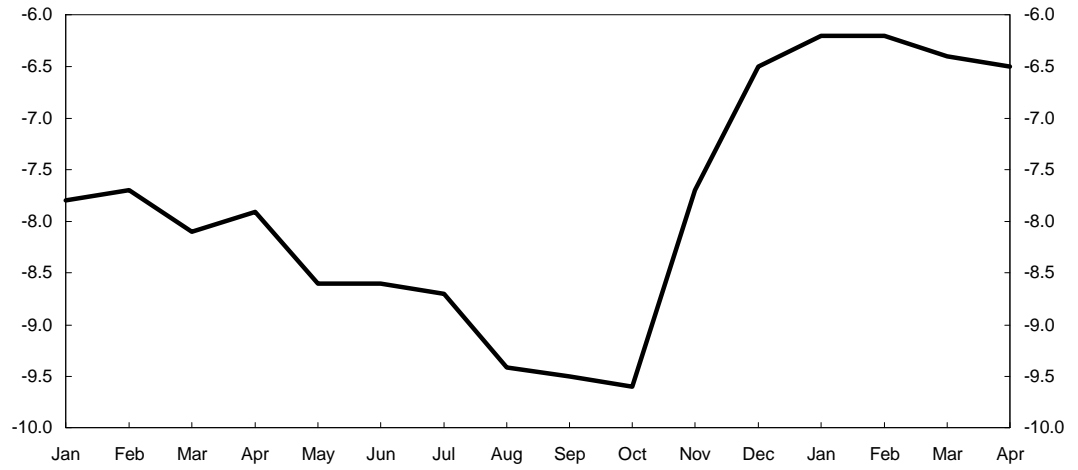
Independent average, January 1997 - April 1998



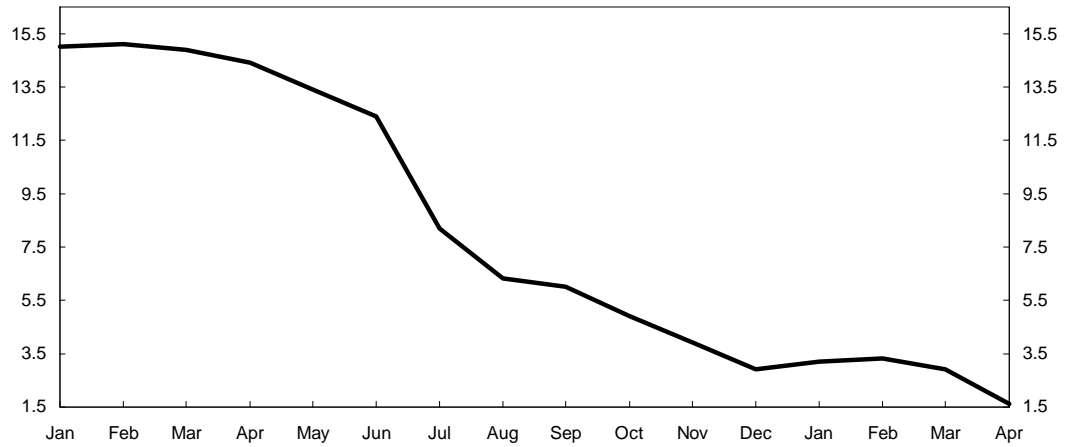
Forecasts for 1998

Independent average, January 1997 - April 1998

Current account
(£ billion)

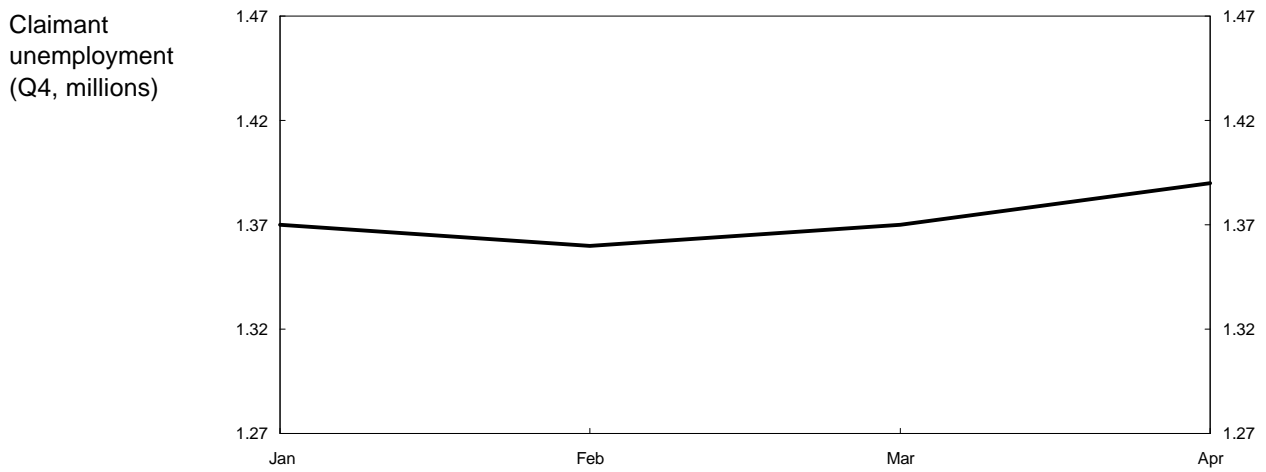
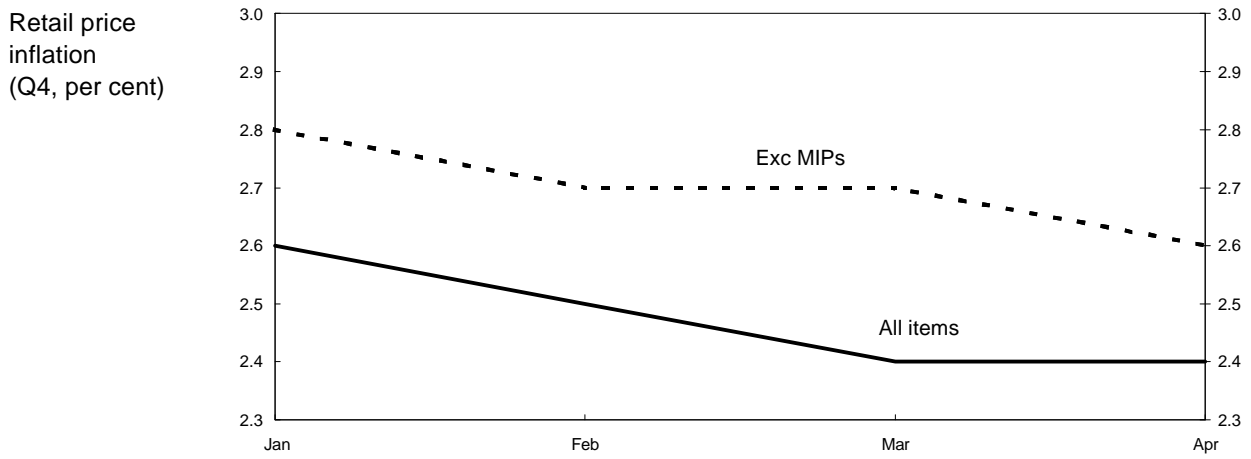
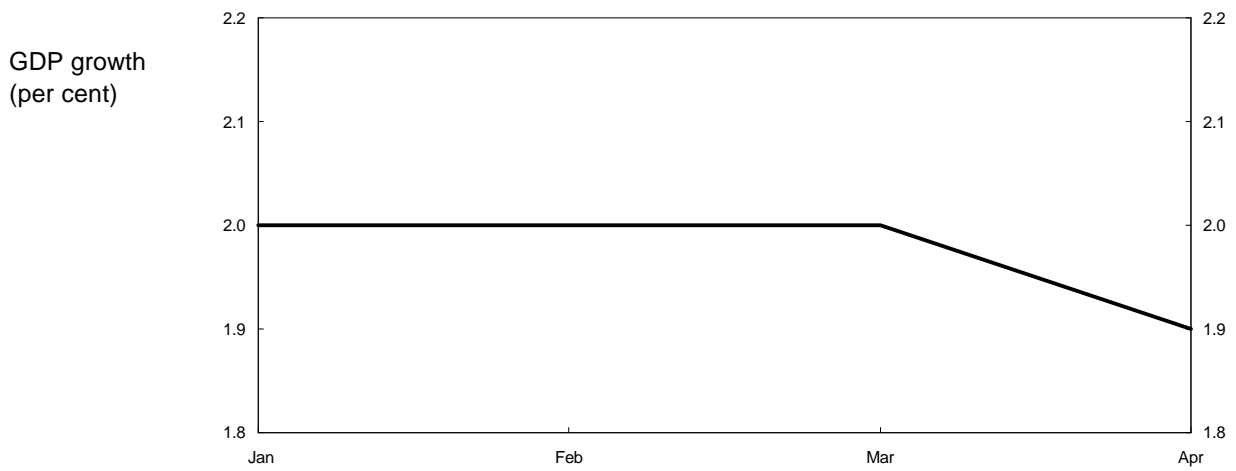


PSBR 1998-99
(£ billion)



Forecasts for 1999

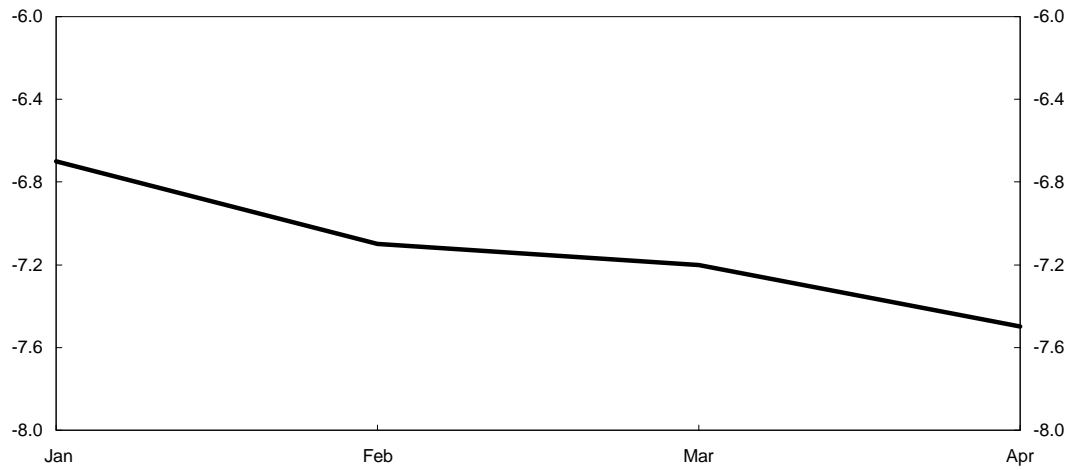
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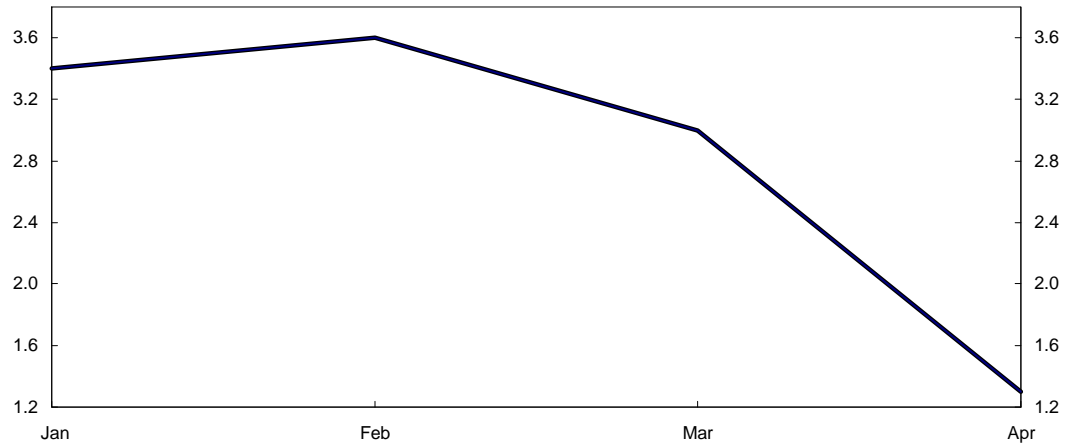
Forecasts for 1999

Independent average, January 1998 - April 1998

Current account
(£ billion)

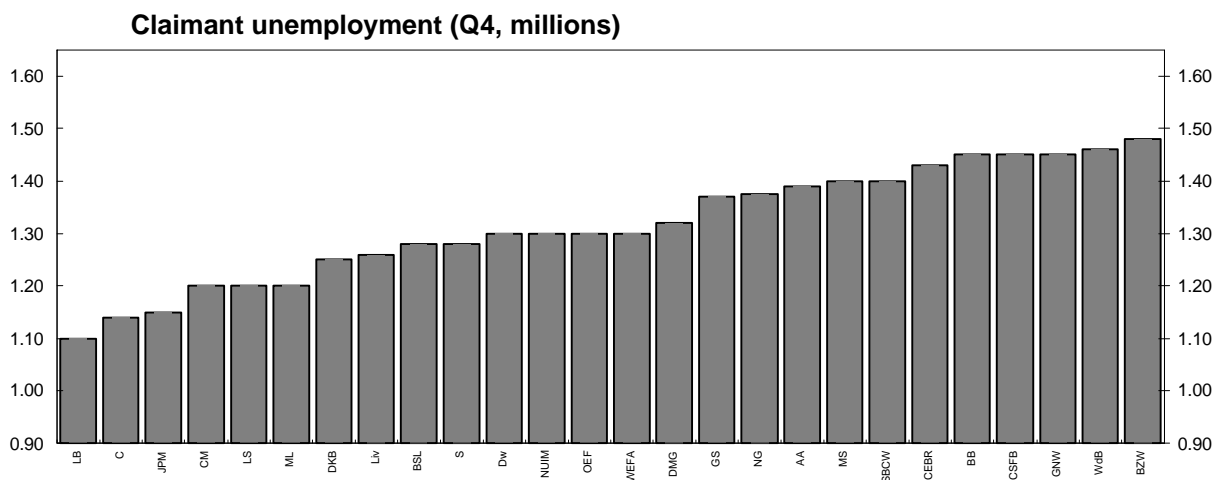
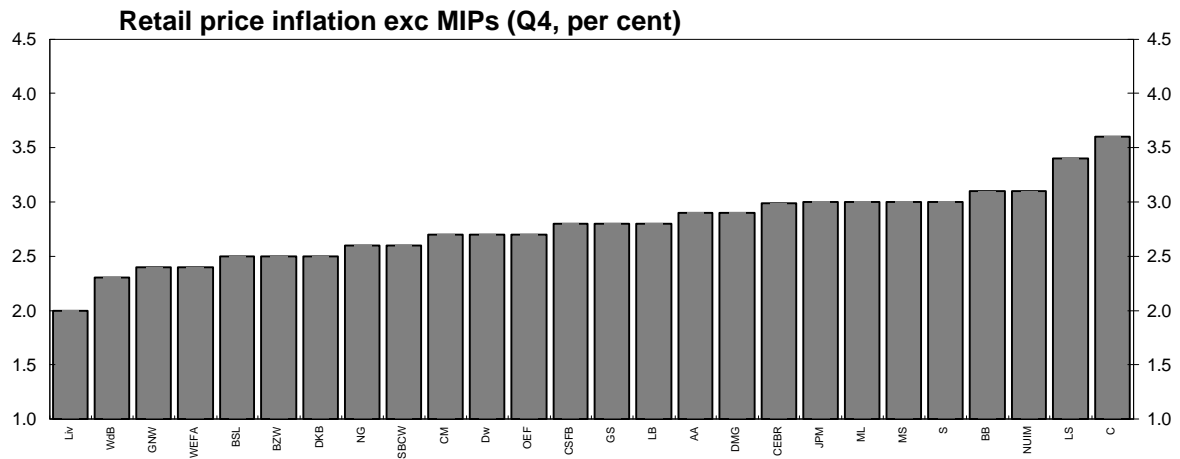
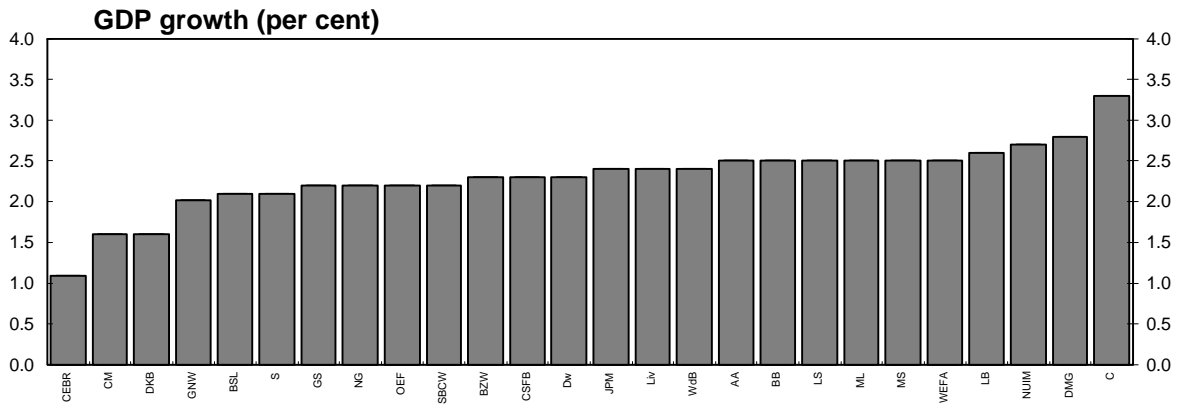


PSBR 1999-00
(£ billion)



Forecasts for 1998

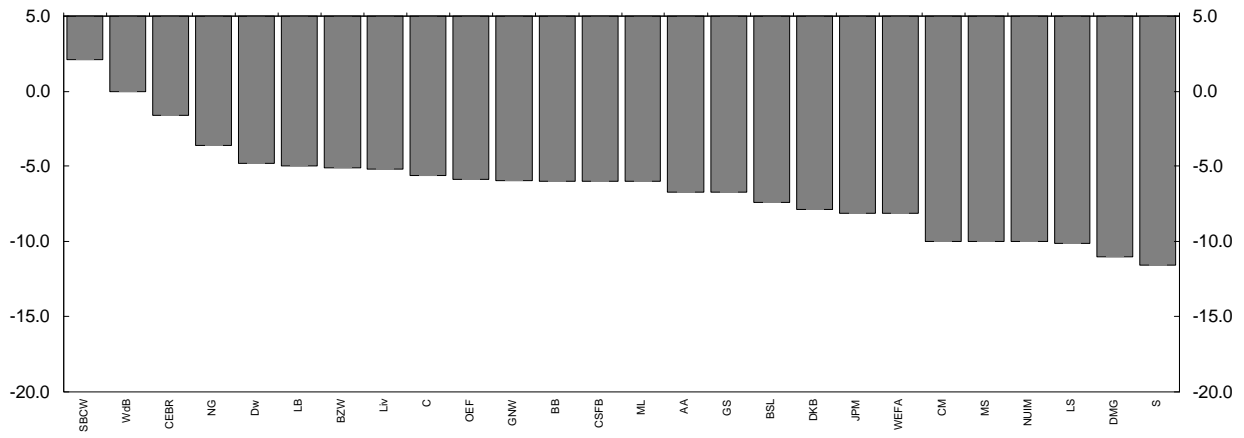
Range of independent forecasts - April 1998



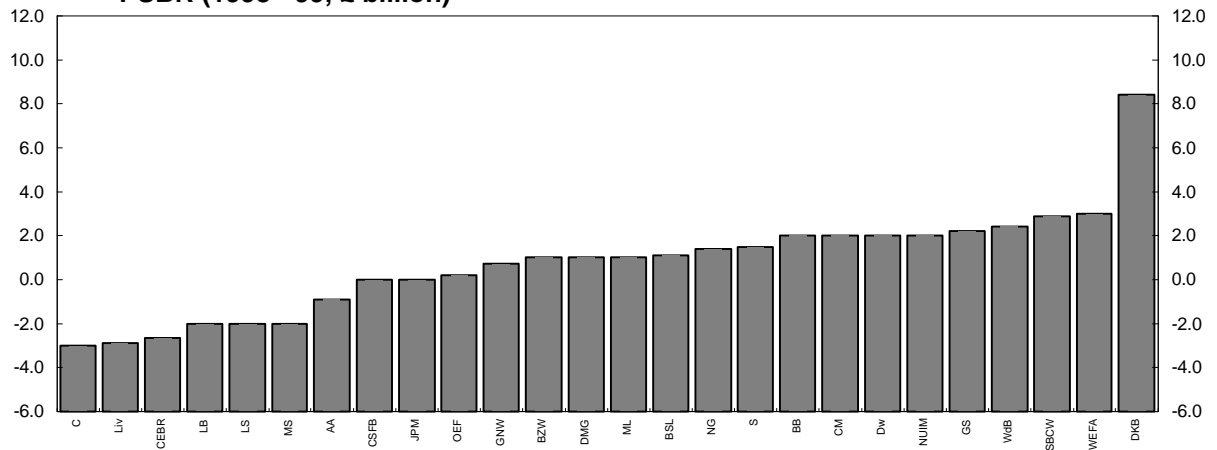
Forecasts for 1998

Range of independent forecasts - April 1998

Current account (£ billion)

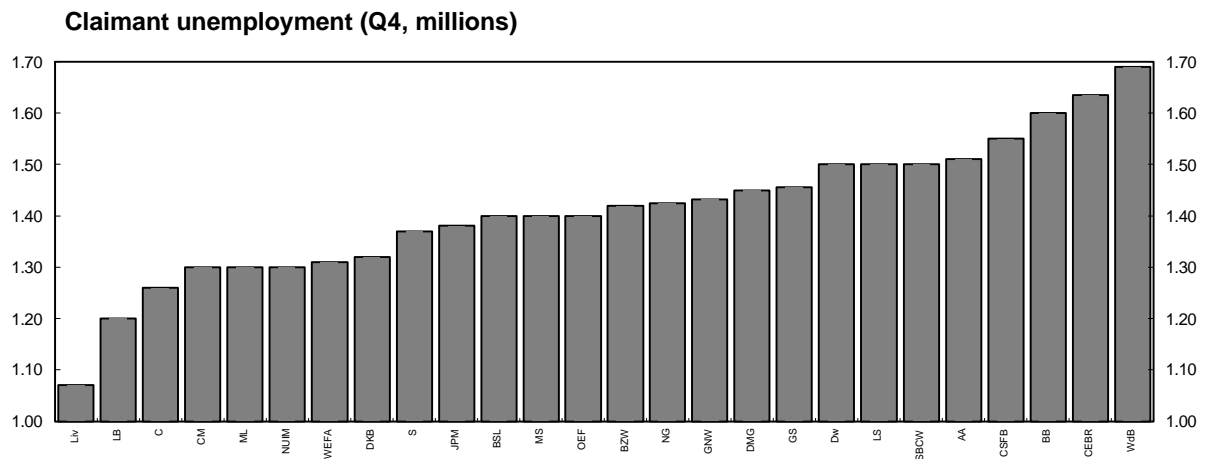
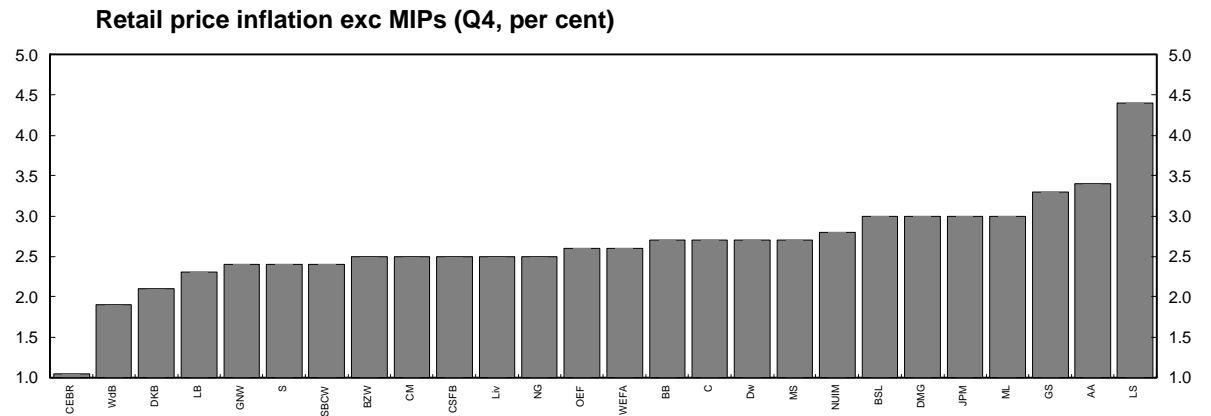
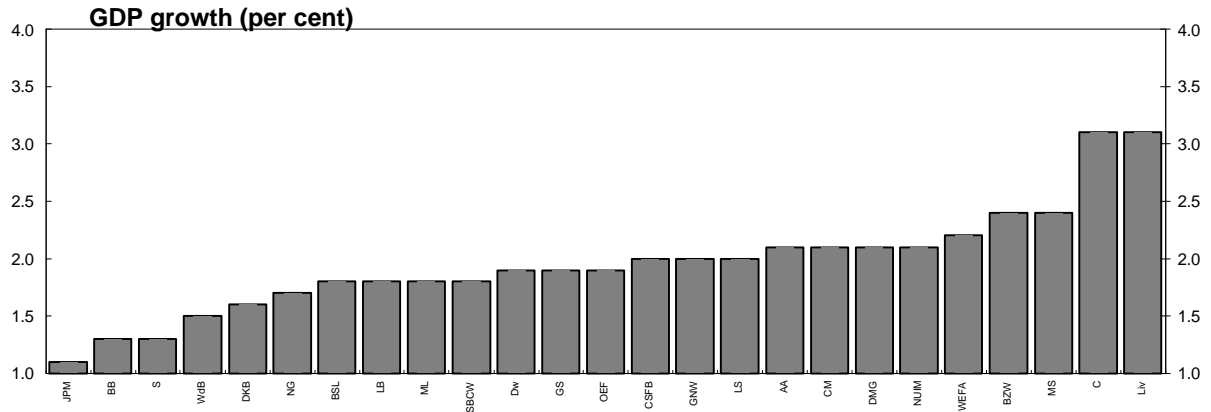


PSBR (1998 - 99, £ billion)



Forecasts for 1999

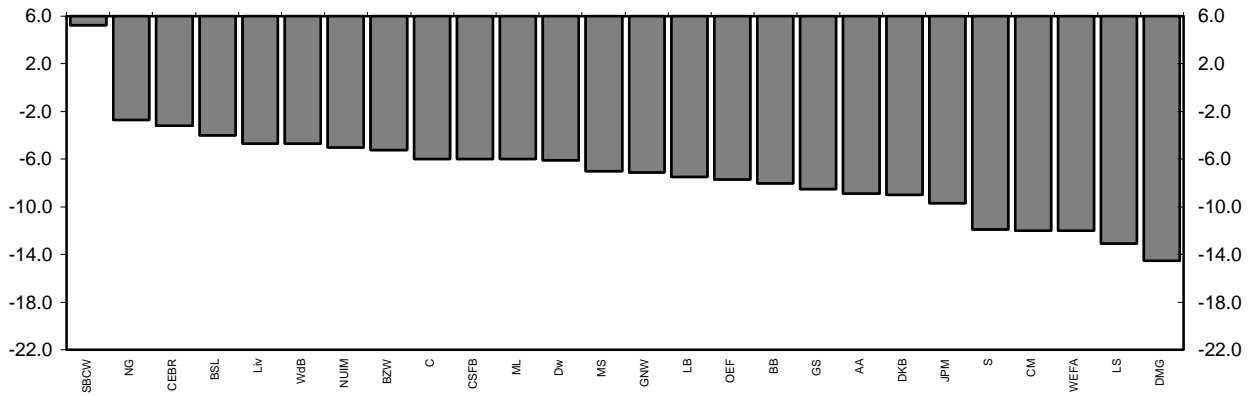
Range of independent forecasts - April 1998



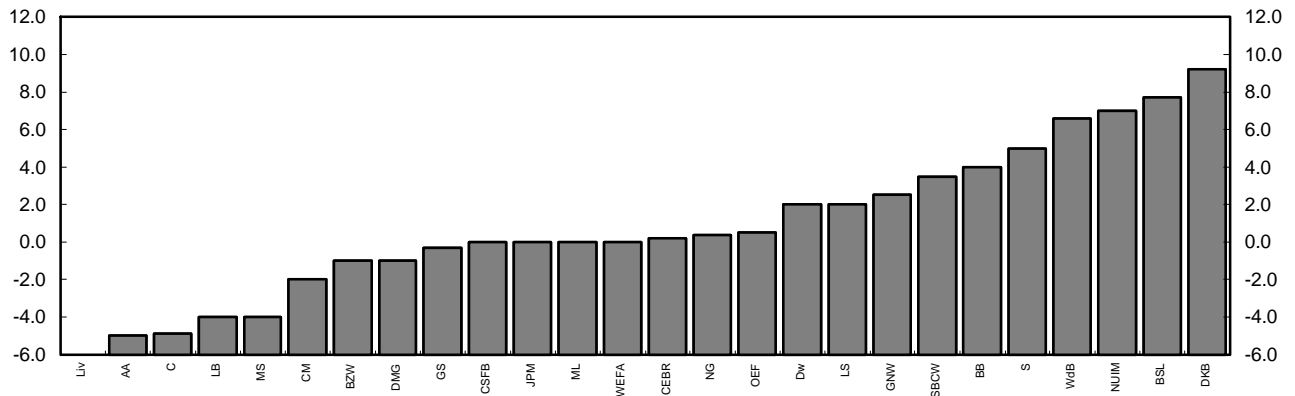
Forecasts for 1999

Range of independent forecasts - April 1998

Current account (£ billion)



PSBR (1999 - 00, £ 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
DMG:	Deutsche Morgan Grenfell
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
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
SBCW:	S B C Warburg
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

Contact lists:

Organisation	Contact	Telephone number
Abn Amro	Richard Iley	0171 374 7171
Barclays Bank	Mark Joint	01202 344 112
Barclays Capital	David Hillier	0171 773 4307
BSL	Neil Blake	0171 630 5959
Cambridge Econometrics	Rachel Beaven	01223 460 760
Charterhouse	Richard Jeffrey	0171 246 2472
Chase Manhattan	Adrian Schmidt	0171 777 4033
CBI	Ranjiv Mann	0171 395 8101
	Sudhir Junankar	0171 395 8100
CEBR	Deborah Richards	0171 600 6661
Credit Lyonnais	Glenn Davies	0171 214 5388
Credit Suisse First Boston	Robert Barrie	0171 888 7536
Daiwa Europe Ltd/DIR	Don Eggington	0171 548 8712
Deutsche Morgan Grenfell	Ciaran Barr	0171 545 2088
Dresdner Kleinwort Benson	Leo Doyle	0171 956 8074
DRI	Darren Rawcliffe	0181 545 6225
EC	Keith Vernon	(00 322) 299 3446
EIU	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 382 6439
S B C Warburg	Darren Winder	0171 568 4412
Societe Generale	Brian Hilliard	0171 762 5014
WEFA	Dixon Hawkins	0171 631 0757
Williams de Broë	David Smith	0171 588 7511 ext 402