

HM Treasury

FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts

Compiled by
Economic Assessment Team

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October 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 Fairbrother (0171 270 5207).

The next edition will be published on 18 November 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, October 1998

This edition of the comparison contains 24 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		October range		
	October	September	Lowest	Highest	
GDP growth (per cent)	2.4	2.2	2.0	2.7	2.5
Inflation rate (Q4: per cent)					
- RPI	3.1	3.1	2.7	3.6	3.0
- RPI exc MIPs	2.6	2.6	2.3	3.2	2.5
Claimant unemployment (Q4: mn)	1.36	1.37	1.23	1.50	1.35
Current account (£bn)	-5.6	-9.3	-13.8	0.8	-3.7
PSNCR** (1998-99: £bn)	0.0	0.0	-10.8	6.0	0.1

Forecasts for 1999

	Independent ⁺				Average of new* forecasts
	Averages		October range		
	October	September	Lowest	Highest	
GDP growth (per cent)	1.1	1.4	0.0	2.5	0.9
Inflation rate (Q4: per cent)					
- RPI	2.0	2.2	1.4	3.6	1.9
- RPI exc MIPs	2.5	2.5	2.0	3.5	2.4
Claimant unemployment (Q4: mn)	1.55	1.52	1.10	1.80	1.56
Current account (£bn)	-8.7	-10.5	-26.5	-0.5	-7.9
PSNCR** (1999-00 : £bn)	1.5	1.7	-20.0	12.0	1.3

⁺Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (October 24 institutions, September 23 institutions, August 25 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)

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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	Oct*	2.3	3.8	1.1	5.1	3.3	3.7	0.9	5.0
Barclays Bank	Oct*	2.7	3.2	2.0	6.2	3.5	3.5	4.5	7.0
Barclays Capital	Oct*	2.6	2.8	2.5	7.6	5.2	3.5	3.4	6.5
Charterhouse	Sept	2.7	3.6	-0.4	8.4	2.8	3.7	0.3	4.5
Chase Manhattan	Oct*	2.6	3.2	2.7	6.4	4.0	3.8	2.2	6.0
Credit Lyonnais	Oct*	2.7	3.1	2.4	6.7	5.5	-	3.5	7.1
Credit Suisse First Boston	Oct*	2.5	2.8	2.4	5.2	4.8	3.3	3.9	6.6
Daiwa Europe Ltd/DIR	Oct*	2.3	3.8	0.8	4.9	4.5	3.8	0.9	5.0
Deutsche Bank	Oct*	2.6	3.1	2.3	6.3	4.2	3.6	3.4	6.4
Dresdner Kleinwort B	Oct*	2.7	3.4	1.3	5.3	3.8	3.4	3.4	6.1
Economic Perspectives	Oct*	2.0	3.2	1.8	3.5	2.0	3.2	2.0	5.5
Goldman Sachs	Oct*	2.7	2.9	2.6	6.0	0.3	3.6	3.4	6.3
Greenwich Natwest	Oct*	2.6	2.9	2.8	6.1	4.2	3.6	3.8	6.8
Hermes	Sept	2.3	3.9	0.3	5.4	3.8	3.7	-0.2	3.8
HSBC Econ & Strategy	Oct*	2.7	3.0	2.0	6.3	0.7	3.6	2.5	5.5
J P Morgan	Oct*	2.6	2.8	2.2	6.3	3.6	3.3	3.5	5.9
Lehman Brothers	Sept	2.2	3.8	1.2	4.9	4.4	3.8	-0.1	4.2
Lombard St	Aug	2.4	4.0	1.0	7.1	2.9	4.0	0.9	5.3
Merrill Lynch	Oct*	2.7	2.9	2.1	6.0	-	-	3.0	6.0
Morgan Stanley	Oct*	2.6	3.1	-	5.7	-	3.5	-	-
Natwest Group	Sept	2.2	3.7	1.2	4.8	3.5	3.6	-0.1	3.8
Nikko Europe	Oct*	2.5	2.9	1.8	5.8	4.5	3.4	2.7	5.8
Norwich Union IM	Sept	2.2	3.6	1.2	4.8	3.9	3.6	0.1	3.9
Panmure Gordon	Oct*	2.5	3.0	2.4	6.1	5.4	3.7	3.1	6.3
Salomon Brothers	Sept	2.0	4.0	1.3	3.4	3.4	3.6	0.2	4.8
Schroders	Oct*	2.6	2.8	2.0	5.8	6.4	3.6	3.1	6.5
Societe Generale	June	2.2	3.8	1.0	4.6	2.8	3.5	3.9	6.4
Warburg Dillon Read	Sept	2.1	3.6	0.5	4.9	-	3.3	-0.6	3.3
Williams de Broe	Oct*	2.4	3.0	2.4	6.2	4.1	3.6	3.1	3.4
Non-City forecasters									
BSL	Sept	2.2	3.6	0.7	4.1	4.3	3.5	0.7	4.6
Cambridge Econ	June	2.1	3.5	0.5	3.5	1.7	2.9	2.9	5.9
CBI	Oct*	2.2	3.8	0.3	4.5	3.7	3.5	0.6	3.9
CEBR	Oct*	2.0	3.5	2.0	4.4	4.0	3.7	-0.5	0.2
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	Sept	2.3	3.9	0.5	7.3	2.1	-	8.0	9.2
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	Oct*	2.5	3.8 c	2.1 d	7.8 e	-	4.7	-	-
NIESR	July	2.1	3.7	1.2	6.0	3.0	3.7	-0.2	4.3
OEF	Oct*	2.7	3.0	1.8	6.8	5.4	3.7	3.6	6.8
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		2.4	3.4	1.5	5.6	3.6	3.6	2.2	5.4
New (marked *)		2.5	3.1	2.0	5.8	4.0	3.6	2.7	5.7
City		2.5	3.3	1.7	5.8	3.8	3.6	2.1	5.5
Range of Forecasts made in last 3 months									
Highest		2.7	4.5	2.8	8.4	6.4	4.7	8.0	9.2
Lowest		2.0	2.8	-0.4	2.0	-0.3	3.2	-0.6	0.2
HM Treasury	Mar	2-2½	3¼-4	1¾	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 interes	Oil	M0	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1998-99)		
City forecasters									
Abn Amro	Oct*	3.2	2.6	5.0	103.0	7.40	13.5	4.7	9.5
Barclays Bank	Oct*	3.3	2.8	4.8	99.0	7.00	14.2	5.0	8.0
Barclays Capital	Oct*	2.7	2.3	4.9	101.2	7.25	-	5.0	6.2
Charterhouse	Sept	3.6	3.2	5.3	103.8	7.60	-	5.3	8.7
Chase Manhattan	Oct*	2.7	2.5	4.5	104.0	7.10	14.0	5.0	8.0
Credit Lyonnais	Oct*	3.1	2.6	4.6	103.5	7.25	13.7	-	-
Credit Suisse First Boston	Oct*	3.0	2.5	4.8	-	7.25	-	6.0	9.0
Daiwa Europe Ltd/DIR	Oct*	3.2	2.6	4.9	98.6	7.10	-	-	-
Deutsche Bank	Oct*	3.1	2.6	5.1	101.1	7.25	13.4	5.7	9.4
Dresdner Kleinwort B	Oct*	2.8	2.4	4.8	103.0	6.80	-	-	-
Economic Perspectives	Oct*	3.1	2.5	4.9	99.5	7.00	13.0	5.7	8.5
Goldman Sachs	Oct*	3.3	2.7	4.8	100.0	7.20	13.9	5.0 jk	9.5 jk
Greenwich Natwest	Oct*	2.9	2.3	4.7	103.5	7.30	13.8	-	-
Hermes	Sept	3.2	2.5	4.8	102.9	7.50	-	-	-
HSBC Econ & Strategy	Oct*	3.0	2.4	4.8	100.0	7.20	14.5	5.5	10.0
J P Morgan	Oct*	3.3	2.9	4.9	99.0	7.00	-	-	-
Lehman Brothers	Sept	3.1	2.6	5.2	103.4	7.42	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	Oct*	2.8	2.6	5.1	-	7.20	-	5.7	7.5
Morgan Stanley	Oct*	3.1	2.5	4.8	99.9	6.90	-	-	-
Natwest Group	Sept	3.0	2.6	4.6	103.0	7.42	13.8	5.5	6.5
Nikko Europe	Oct*	3.0	2.5	5.0	100.0	7.25	-	5.5	8.0
Norwich Union IM	Sept	3.2	2.7	5.0	102.8	7.25	13.0	6.0	7.0
Panmure Gordon	Oct*	2.9	2.6	5.0	97.0	6.90	-	5.7	9.1
Salomon Brothers	Sept	2.9	2.3	5.1	103.0	7.60	14.0	-	-
Schroders	Oct*	3.0	2.4	4.7	102.0	7.25	-	-	-
Societe Generale	June	-	2.8	4.7	102.0	7.00	15.0	6.5	10.0
Warburg Dillon Read	Sept	3.0	2.5	5.0	-	7.70	-	5.5	8.8
Williams de Broe	Oct*	2.8	2.3	4.9	101.4	7.30	13.7	4.7	9.9
Non-City forecasters									
BSL	Sept	3.2	2.6	4.7	99.4	7.50	14.0	-	-
Cambridge Econ	June	3.4 k	2.8 k	4.9	102.2 k	7.30 ks	15.2	-	-
CBI	Oct*	3.2	2.6	4.9	100.0	7.25 s	14.1	-	-
CEBR	Oct*	2.7	2.5	5.3	103.6	7.16	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	Sept	3.0	2.6	4.3	-	7.30	-	5.9	7.0
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	Oct*	-	2.4	4.9	109.7	7.00	-	-	-
NIESR	July	2.9	2.1	4.8	104.6	7.90	15.3	4.1	10.9
OEF	Oct*	3.0	2.4	5.2	98.8	7.10	13.2	5.5	10.4
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		3.1	2.6	4.9	101.4	7.26	13.8	5.5	8.4
New (marked *)		3.0	2.5	4.9	101.3	7.14	13.7	5.4	8.7
City		3.0	2.6	4.9	101.2	7.25	13.8	5.4	8.3
Range of Forecasts made in last 3 months									
Highest		3.6	3.2	5.6	109.7	7.70	14.5	6.2	10.4
Lowest		2.7	2.3	4.3	96.3	6.80	12.7	4.7	6.2
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)	PSNCR (£bn 98-99)	PSNB (£bn 98-99)
City forecasters										
Abn Amro	Oct*	2.1	1.4	1.37	0.5	-0.3	4.9	-8.0	-2.5	-3.2
Barclays Bank	Oct*	2.0	-0.4	1.40	-	0.2	-	-2.0	2.0	-
Barclays Capital	Oct*	2.4	1.7	1.32	0.7	0.4	-	-0.5	1.0	-
Charterhouse	Sept	2.8	1.9	1.32	-0.8	-0.8	-	-11.4	-5.3	-
Chase Manhattan	Oct*	0.9	1.5	1.40	0.0	0.0	-	-4.0	0.0	-
Credit Lyonnais	Oct*	2.8	-	1.35	0.5	-0.2	4.8	-2.8	-0.3	-
Credit Suisse First Boston	Oct*	3.0	1.0	1.40	0.0	-0.5	-	-3.0	-3.0	-
Daiwa Europe Ltd/DIR	Oct*	2.6	1.4	1.30	-	-	-	-5.0	-0.8	-
Deutsche Bank	Oct*	2.4	0.5	1.33	0.5	0.2	-	-3.0	2.0	-
Dresdner Kleinwort B	Oct*	1.3	1.8	1.35	0.9	0.5	-	-1.7	-1.0	1.5
Economic Perspectives	Oct*	2.4	0.8	1.30	0.9	-0.2	4.0	-5.0	5.0	-
Goldman Sachs	Oct*	2.3	0.3	1.36	0.6	0.3	-	-5.1	1.8	-0.2
Greenwich Natwest	Oct*	1.3	1.3	1.83 aa	0.4	0.3	5.2	-0.3	-2.0	0.0
Hermes	Sept	2.5	1.2	1.38	-0.1	-0.3	-	-10.4	1.0	-
HSBC Econ & Strategy	Oct*	2.6	0.8	1.40	0.0	0.0	4.1	-3.0	-5.0	-5.0
J P Morgan	Oct*	-	-	1.37	-0.1	0.0	-	0.8	5.0	-
Lehman Brothers	Sept	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	Oct*	-	-	1.30	-	0.1	-	-2.5	0.0	-
Morgan Stanley	Oct*	2.1	1.2	1.40	0.0	-0.1	-	-4.0	1.0	-
Natwest Group	Sept	1.4	1.6	1.34	0.7	-0.2	6.0	-6.4	3.0	1.0
Nikko Europe	Oct*	2.0	0.7	1.35	0.5	0.0	-	0.0	0.0	-
Norwich Union IM	Sept	2.5	0.5	1.40	0.7	0.0	-	-10.0	2.0	-
Panmure Gordon	Oct*	2.1	1.1	1.41	0.4	0.1	-	-8.0	6.0	-
Salomon Brothers	Sept	1.6	1.5	1.41	0.5	-0.1	-	-12.7	-	3.0
Schroders	Oct*	1.6	1.4	1.35	-	0.2	5.0	-1.1	2.0	-
Societe Generale	June	2.5	1.0	1.30	0.1	-0.2	5.0	-8.0	0.0	-
Warburg Dillon Read	Sept	3.0	0.8	1.40	-0.2	-0.6	-	-4.0	-	0.0
Williams de Broe	Oct*	-	1.5	1.35	0.3	0.0	7.0	-5.0	1.2	1.8
Non-City forecasters										
BSL	Sept	2.6	1.2	1.36	-0.1	-0.8	3.0	-10.5	4.1	3.3
Cambridge Econ	June	2.4	1.5	1.40 k	-0.3	-0.5	3.7	-4.2	12.5 k	-
CBI	Oct*	1.2	1.1	1.23	0.2	-0.3	6.1	-9.9	-0.2	-
CEBR	Oct*	2.4	1.6	1.38	-	-0.6	-	-7.0	2.8	-
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	Sept	4.1	1.1	-	-	0.0	-	-9.8	2.5	-
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	Oct*	-	-	1.30	-	-	-	-8.3	-10.8	-
NIESR	July	1.6	1.5	1.35	-	-0.4	5.5	-10.9	1.2	0.4
OEF	Oct*	2.4	0.8	1.33	0.4	0.2	7.6	0.5	-1.1	-3.0
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	1.1	1.36	0.3	-0.1	5.4	-5.6	0.0	-0.1
New (marked *)		2.1	1.1	1.35	0.4	0.0	5.4	-3.7	0.1	-1.2
City		2.2	1.1	1.37	0.3	-0.1	5.2	-5.0	0.4	-0.1
Range of Forecasts made in last 3 months										
Highest		4.1	1.9	1.50	0.9	0.5	7.6	0.8	6.0	3.3
Lowest		0.9	-0.4	1.23	-0.8	-0.8	3.0	-13.8	-10.8	-5.0
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	Oct*	1.4	2.2	1.5	3.3	1.4	1.9	3.0	4.1
Barclays Bank	Oct*	0.8	1.8	1.7	2.0	0.0	1.4	1.0	3.0
Barclays Capital	Oct*	0.9	1.4	2.9	-0.8	2.0	1.3	1.6	2.8
Charterhouse	Sept	2.5	2.1	0.8	5.7	1.6	2.3	5.7	5.5
Chase Manhattan	Oct*	0.8	1.9	4.0	1.7	0.7	1.9	-1.0	2.4
Credit Lyonnais	Oct*	0.8	2.2	2.1	1.0	1.7	-	2.3	4.0
Credit Suisse First Boston	Oct*	1.0	1.8	2.6	-0.5	1.2	1.1	4.3	4.4
Daiwa Europe Ltd/DIR	Oct*	0.8	2.0	1.1	-2.4	2.8	0.8	2.1	2.3
Deutsche Bank	Oct*	1.0	1.9	1.8	2.1	1.0	1.5	1.5	2.7
Dresdner Kleinwort B	Oct*	0.9	1.4	2.6	2.3	1.8	1.5	2.2	4.6
Economic Perspectives	Oct*	0.6	2.0	2.5	2.5	1.0	2.2	-1.0	2.0
Goldman Sachs	Oct*	0.5	1.5	2.3	1.4	-0.7	1.0	1.7	3.2
Greenwich Natwest	Oct*	1.4	1.7	2.4	1.7	2.0	1.6	3.8	4.2
Hermes	Sept	1.6	1.9	1.2	1.7	1.1	1.3	5.9	4.8
HSBC Econ & Strategy	Oct*	0.5	1.5	1.5	0.0	0.3	0.8	1.0	2.0
J P Morgan	Oct*	0.0	1.4	1.2	-0.3	-4.7	0.0	0.5	0.4
Lehman Brothers	Sept	1.2	2.0	2.4	2.0	3.2	1.9	0.7	2.4
Lombard St	Aug	1.8	2.3	1.9	0.8	1.4	1.7	4.8	4.1
Merrill Lynch	Oct*	1.2	1.5	2.3	1.8	-	-	3.0	4.0
Morgan Stanley	Oct*	0.5	2.0	-	1.0	-	1.6	-	-
Natwest Group	Sept	1.2	1.8	1.3	0.9	1.5	1.2	4.0	3.5
Nikko Europe	Oct*	1.4	2.0	1.7	0.7	1.6	1.4	1.1	1.1
Norwich Union IM	Sept	1.6	1.7	2.0	1.8	2.6	1.6	2.0	1.7
Panmure Gordon	Oct*	1.0	2.2	2.8	2.3	1.9	1.8	1.1	4.0
Salomon Brothers	Sept	1.2	3.2	2.2	2.5	0.9	2.5	3.0	7.0
Schroders	Oct*	0.5	1.0	1.8	1.2	5.0	1.0	1.2	2.5
Societe Generale	June	1.5	2.1	2.2	3.6	1.6	2.2	3.3	4.2
Warburg Dillon Read	Sept	0.3	1.1	0.8	1.4	-	1.0	1.4	1.5
Williams de Broe	Oct*	1.4	3.1	2.3	1.7	2.4	2.5	2.3	2.4
Non-City forecasters									
BSL	Sept	0.7	0.5	1.3	-2.5	-0.7	-0.6	4.9	1.3
Cambridge Econ	June	1.6	1.6	0.9	0.9	1.0	1.2	3.5	2.9
CBI	Oct*	1.2	1.3	1.5	1.1	1.9	1.0	2.7	2.0
CEBR	Oct*	0.4	2.4	3.0	0.3	2.4	1.9	3.9	3.9
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	Sept	1.4	2.2	1.2	1.4	1.6	-	-0.2	4.2
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	Oct*	2.3	2.5 c	2.0 d	2.2 e	-	2.5	-	-
NIESR	July	1.5	1.6	4.3	2.2	1.5	2.0	2.5	3.8
OEF	Oct*	0.9	1.8	1.0	1.2	3.6	1.3	3.3	4.2
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		1.1	1.9	1.9	1.3	1.4	1.5	2.5	3.4
New (marked *)		0.9	1.9	2.1	1.1	1.4	1.5	1.9	3.0
City		1.0	1.9	2.0	1.4	1.3	1.5	2.2	3.2
Range of Forecasts made in last 3 months									
Highest		2.5	3.2	4.0	5.7	5.0	2.5	5.9	7.0
Lowest		0.0	0.5	0.8	-2.5	-4.7	-0.6	-1.0	0.4
HM Treasury	Mar	1¼-2¼	1¼-2¼	2	2¾-3¼	2.4 - 3.4	2¼-2¾	4½-5	5½-6

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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 interes	Oil	M0	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1999-00)		
City forecasters									
Abn Amro	Oct*	2.5	2.8	4.7	98.6	6.70	15.5	3.6	5.7
Barclays Bank	Oct*	1.4	2.5	4.2	90.0	5.50	14.5	4.0	4.0
Barclays Capital	Oct*	2.0	2.5	4.1	103.9	6.25	-	4.0	4.5
Charterhouse	Sept	3.6	3.5	5.2	97.7	7.90	-	4.5	8.3
Chase Manhattan	Oct*	2.4	2.8	4.0	102.0	6.30	14.0	3.0	5.0
Credit Lyonnais	Oct*	1.7	2.4	4.2	98.5	5.75	15.7	-	-
Credit Suisse First Boston	Oct*	2.3	2.5	4.3	-	5.75	-	5.0	9.0
Daiwa Europe Ltd/DIR	Oct*	1.7	2.1	4.5	95.6	6.00	-	-	-
Deutsche Bank	Oct*	2.0	2.7	5.0	91.5	6.25	13.5	5.0	5.5
Dresdner Kleinwort B	Oct*	1.5	2.1	4.3	101.0	5.60	-	-	-
Economic Perspectives	Oct*	2.3	2.0	3.9	94.0	5.50	14.0	4.5	6.5
Goldman Sachs	Oct*	1.7	2.5	5.0	94.0	6.00	16.1	4.0 jk	8.8 jk
Greenwich Natwest	Oct*	1.6	2.2	4.3	99.4	6.30	14.0	-	-
Hermes	Sept	2.0	2.2	4.7	96.7	6.50	-	-	-
HSBC Econ & Strategy	Oct*	1.7	2.2	4.0	93.2	6.00	17.0	5.0	7.0
J P Morgan	Oct*	1.7	2.8	4.5	93.0	4.50	-	-	-
Lehman Brothers	Sept	1.8	2.5	4.9	98.0	6.08	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	Oct*	2.2	2.5	4.9	-	6.20	-	5.0	6.0
Morgan Stanley	Oct*	2.1	2.6	4.2	95.1	6.30	-	-	-
Natwest Group	Sept	2.1	2.5	4.0	96.4	6.05	14.5	5.4	5.9
Nikko Europe	Oct*	2.2	2.5	4.5	97.0	6.50	-	5.0	8.0
Norwich Union IM	Sept	2.1	2.6	4.5	100.6	6.00	14.0	4.0	5.0
Panmure Gordon	Oct*	1.8	2.1	4.5	93.5	6.50	-	4.2	7.5
Salomon Brothers	Sept	2.3	2.4	5.6	98.0	6.90	14.0	-	-
Schroders	Oct*	1.9	2.4	4.4	98.0	6.00	-	-	-
Societe Generale	June	-	2.5	4.4	98.0	6.00	16.0	6.0	9.0
Warburg Dillon Read	Sept	1.4	2.0	4.0	-	6.30	-	4.1	5.9
Williams de Broe	Oct*	1.4	2.0	4.5	100.0	6.00	13.5	3.7	12.3
Non-City forecasters									
BSL	Sept	2.8	2.9	4.0	96.2	7.00	15.4	-	-
Cambridge Econ	June	2.4 k	2.8 k	4.3	96.9 k	6.30 ks	17.1	-	-
CBI	Oct*	2.1	2.5	4.4	95.0	6.25 s	17.0	-	-
CEBR	Oct*	1.8	2.0	4.7	98.9	5.49	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	Sept	2.1	2.2	3.8	-	6.10	-	5.2	5.5
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	Oct*	-	2.4	4.5	107.9	6.30	-	-	-
NIESR	July	2.5	2.5	4.2	100.2	7.00	16.4	1.8	13.5
OEF	Oct*	1.9	2.3	5.0	96.2	6.30	13.7	4.0	8.3
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		2.0	2.5	4.5	97.1	6.22	14.8	4.4	6.6
New (marked *)		1.9	2.4	4.4	97.1	6.00	14.7	4.3	7.0
City		2.0	2.5	4.5	96.7	6.17	14.8	4.4	6.7
Range of Forecasts made in last 3 months									
Highest		3.6	3.5	5.6	107.9	7.90	17.0	5.4	12.3
Lowest		1.4	2.0	3.8	90.0	4.50	12.0	3.0	4.0
HM Treasury	Mar	-	2½	-	-	-	-	-	-

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Table 6

Other variables

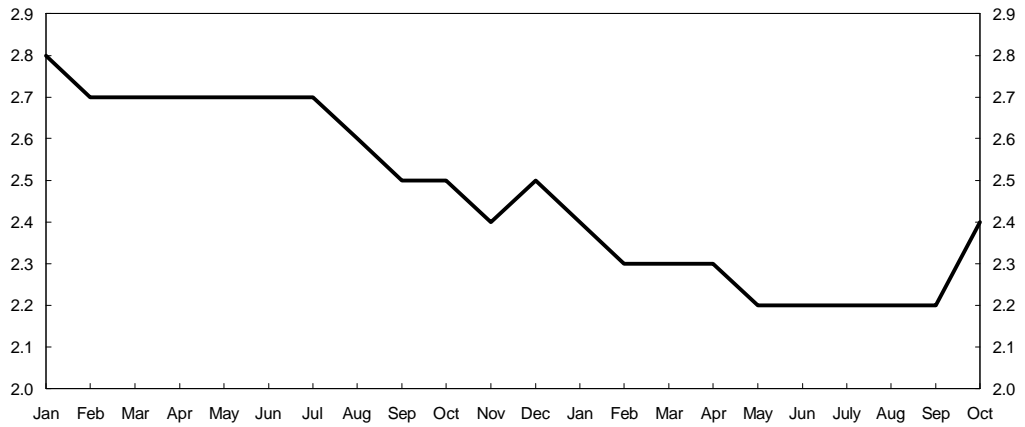
Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RPDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf'g output	World Trade	Current account (£ bn)	PSNCR (£ bn 99-00)	PSNB (£ bn 99-00)
City forecasters										
Abn Amro Hoare Govett	Oct*	2.3	-0.1	1.55	-0.1	-0.8	5.8	-12.7	-0.7	-1.4
Barclays Bank	Oct*	1.5	-0.5	1.70	-	-0.5	-	-8.0	5.0	-
Barclays Capital	Oct*	1.8	-0.5	1.53	0.4	0.1	-	-6.7	6.0	-
Charterhouse	Sept	2.5	0.5	1.44	0.8	0.3	-	-14.3	-7.2	-
Chase Manhattan	Oct*	2.4	-0.2	1.60	0.0	0.0	-	-10.0	-5.0	-
Credit Lyonnais	Oct*	2.0	-	1.55	0.0	-0.7	4.0	-9.7	3.2	-
Credit Suisse First Boston	Oct*	1.8	-1.0	1.70	0.0	-0.5	-	-6.0	-3.0	-
Daiwa Europe Ltd/DIR	Oct*	1.8	-0.9	1.50	-	-	-	-6.9	3.0	-
Deutsche Bank	Oct*	1.9	-0.7	1.62	-0.1	-0.6	-	-10.0	7.0	-
Dresdner Kleinwort B	Oct*	1.6	-0.4	1.55	0.4	-0.4	-	-6.9	3.4	-4.4
Economic Perspectives	Oct*	1.3	-0.4	1.50	0.8	0.8	2.5	-13.0	12.0	-
Goldman Sachs	Oct*	1.9	-1.3	1.61	-0.8	1.3	-	-5.3	11.9	10.9
Greenwich Natwest	Oct*	1.5	-0.2	1.91 aa	0.7	0.3	4.1	-4.3	1.0	0.0
Hermes	Sept	2.0	-0.7	1.61	0.6	0.5	-	-6.8	3.0	-
HSBC Econ & Strategy	Oct*	2.0	-1.1	1.80	-2.0	-2.0	4.5	-9.0	0.0	-1.0
J P Morgan	Oct*	-	-	1.72	-3.5	-3.5	-	-0.5	-5.0	-
Lehman Brothers	Sept	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	Oct*	-	-	1.50	-	0.2	-	-6.0	0.0	-
Morgan Stanley	Oct*	1.4	-0.5	1.70	-2.0	-2.0	-	-9.0	5.0	-
Natwest Group	Sept	2.6	0.7	1.49	2.0	1.3	6.5	-8.0	6.0	6.0
Nikko Europe	Oct*	2.0	0.0	1.50	0.5	0.5	-	-6.0	0.0	-
Norwich Union IM	Sept	1.0	0.0	1.50	1.0	1.0	-	-7.0	10.0	-
Panmure Gordon	Oct*	2.0	-0.5	1.53	-0.7	-1.2	-	-12.0	-10.0	-
Salomon Brothers	Sept	2.7	0.4	1.63	0.0	0.0	-	-26.5	-	6.0
Schroders	Oct*	1.6	-0.5	1.63	-	-0.1	4.0	-4.7	-3.0	-
Societe Generale	June	2.0	-0.2	1.45	0.7	0.6	5.5	-10.0	0.0	-
Warburg Dillon Read	Sept	0.8	-0.8	1.70	-0.4	-0.7	-	-1.0	-	8.0
Williams de Broe	Oct*	-	-0.1	1.54	1.1	0.7	4.5	-16.0	5.5	5.5
Non-City forecasters										
BSL	Sept	1.4	-0.3	1.60	-0.7	-0.9	4.0	-1.9	7.8	7.8
Cambridge Econ	June	1.8	-0.1	1.50 k	1.5	1.0	3.6	-8.7	1.8 k	-
CBI	Oct*	2.6	0.2	1.32	0.4	0.0	6.6	-8.0	0.8	-
CEBR	Oct*	2.8	-0.3	1.53	-	-2.3	-	-8.0	11.3	-
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	Sept	2.1	-1.2	-	-	0.9	-	-13.7	3.5	-
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	Oct*	-	-	1.10	-	-	-	-10.1	-20.0	-
NIESR	July	1.5	0.3	1.35	-	1.3	5.7	-11.8	9.1	9.1
OEF	Oct*	2.0	-0.5	1.52	-0.7	-0.9	6.0	-0.7	2.4	-2.4
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	-0.3	1.55	0.0	-0.2	5.1	-8.7	1.5	3.2
New (marked *)		1.9	-0.5	1.56	-0.3	-0.5	4.7	-7.9	1.3	1.0
City		1.9	-0.3	1.59	0.0	-0.2	4.8	-8.8	2.2	3.3
Range of Forecasts made in last 3 months										
Highest		2.9	0.7	1.80	2.0	1.5	7.4	-0.5	12.0	10.9
Lowest		0.8	-1.3	1.10	-3.5	-3.5	2.5	-26.5	-20.0	-4.4
HM Treasury	Mar	1¼-1¾	-	-	-	1-1½	7	-6%	3.1	-

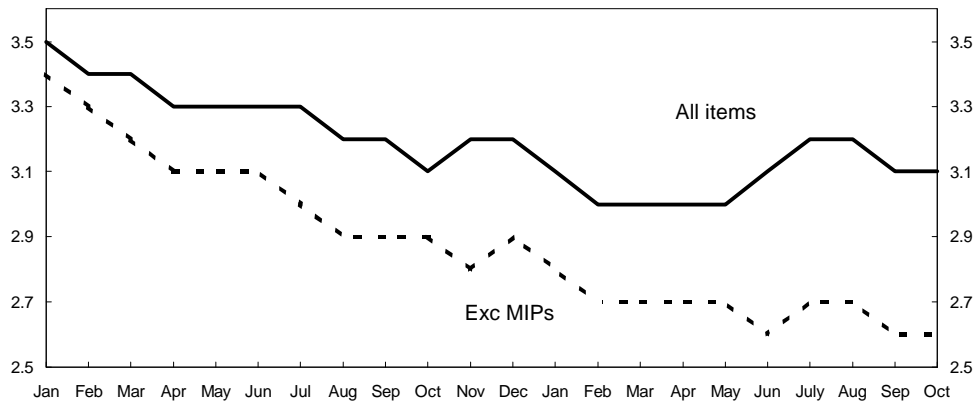
Forecasts for 1998

Independent average, January 1997 -October 1998

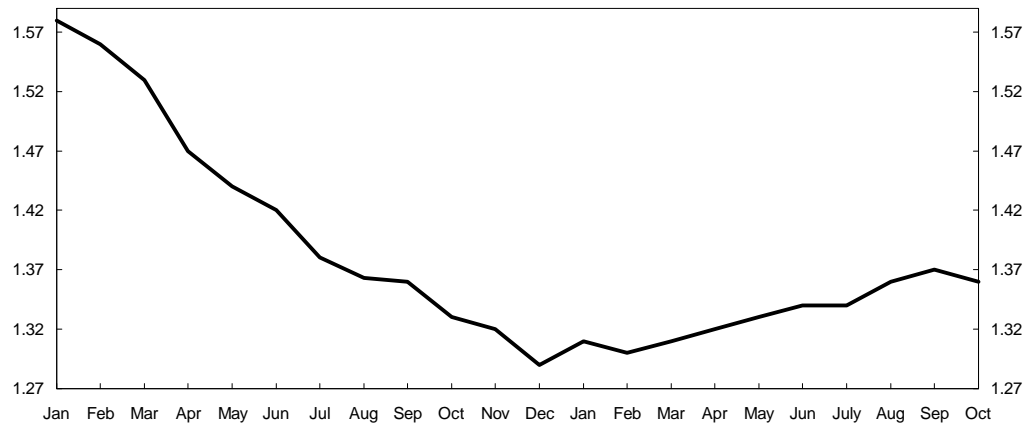
GDP growth
(per cent)



Retail price
inflation
(Q4, per cent)



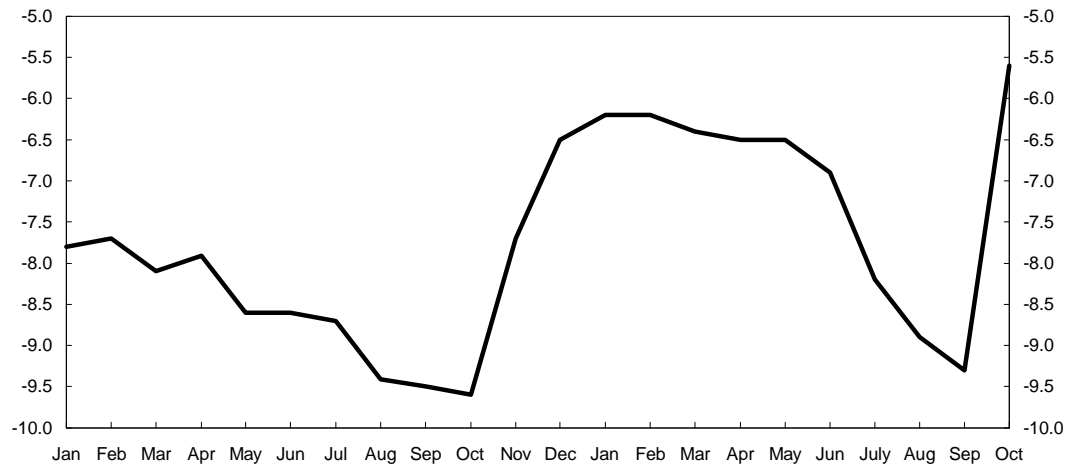
Claimant
unemployment
(Q4, millions)



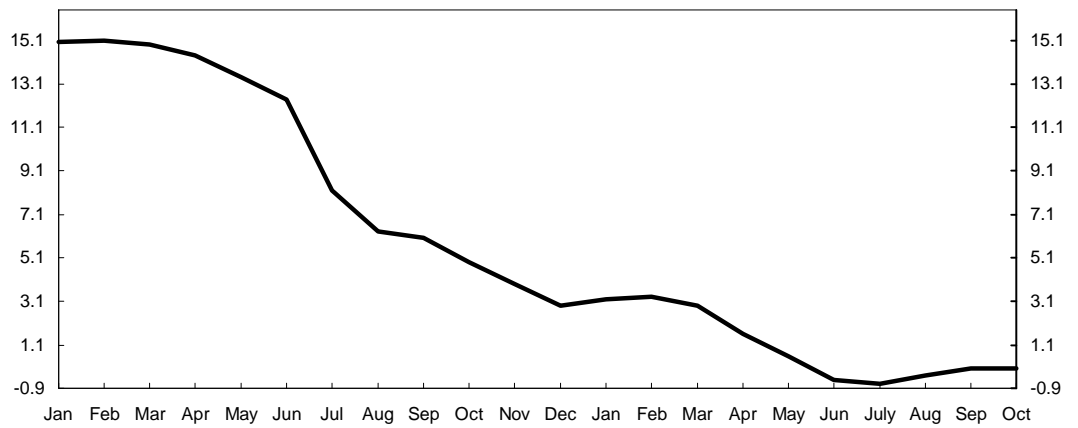
Forecasts for 1998

Independent average, January 1997 - October 1998

Current account
(£ billion)



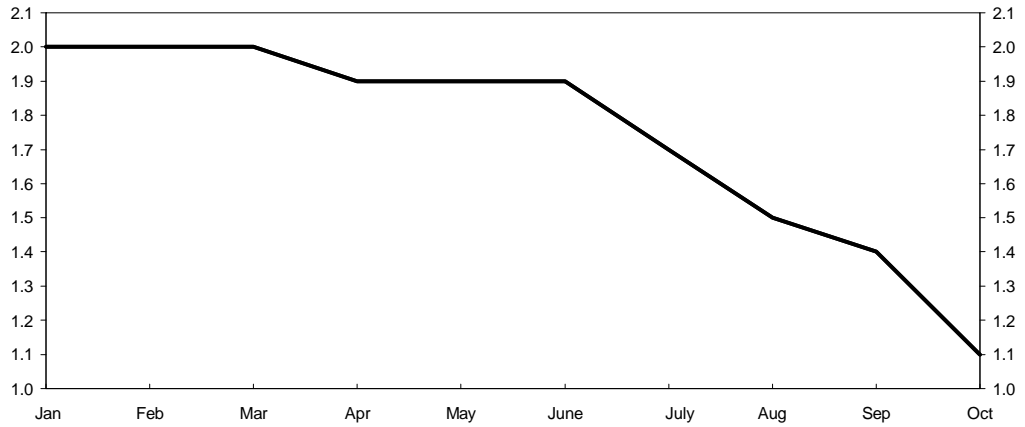
PSNCR 1998-99
(£ billion)



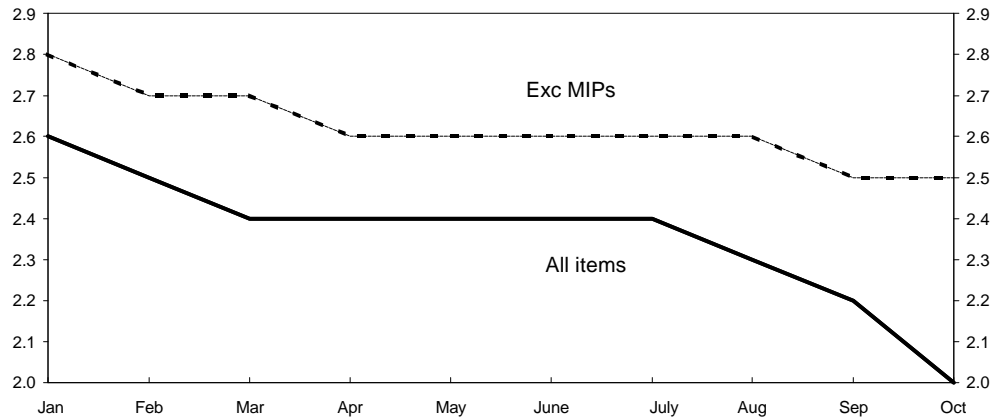
Forecasts for 1999

Independent average, January 1998 - October 1998

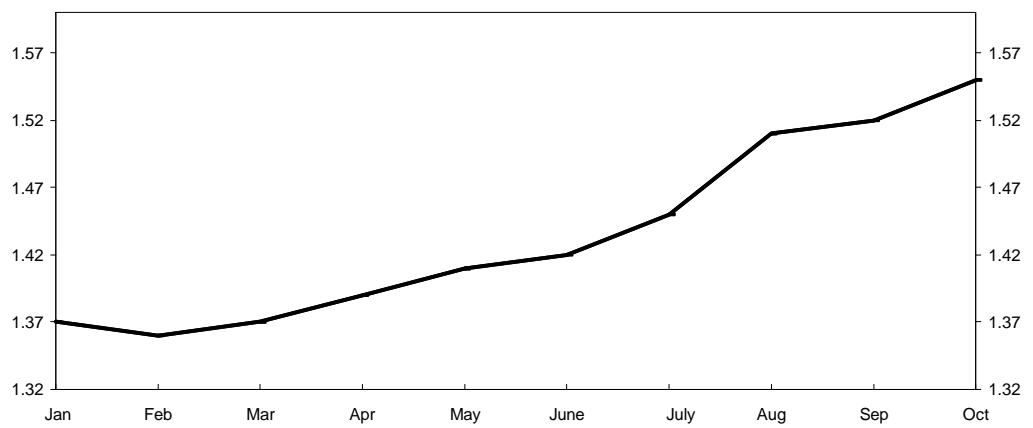
GDP growth
(per cent)



Retail price
inflation
(Q4, per cent)



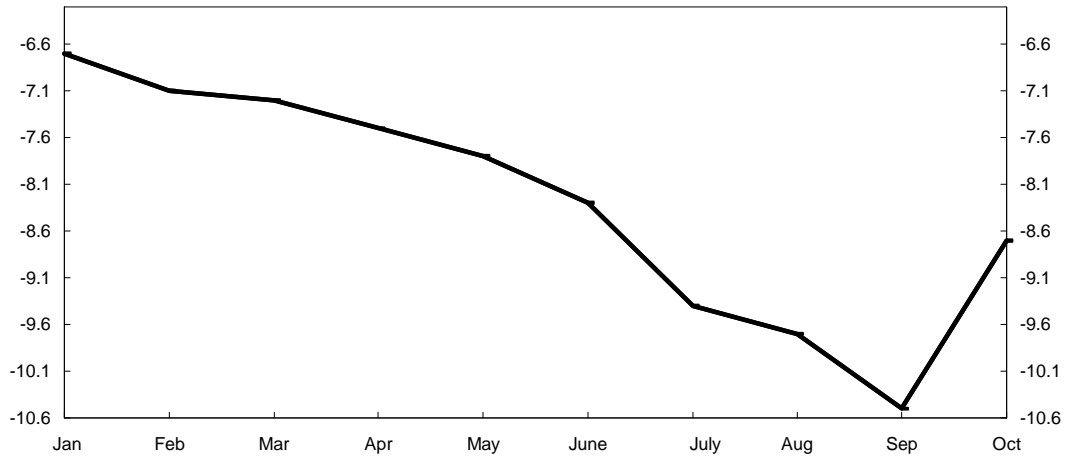
Claimant
unemployment
(Q4, millions)



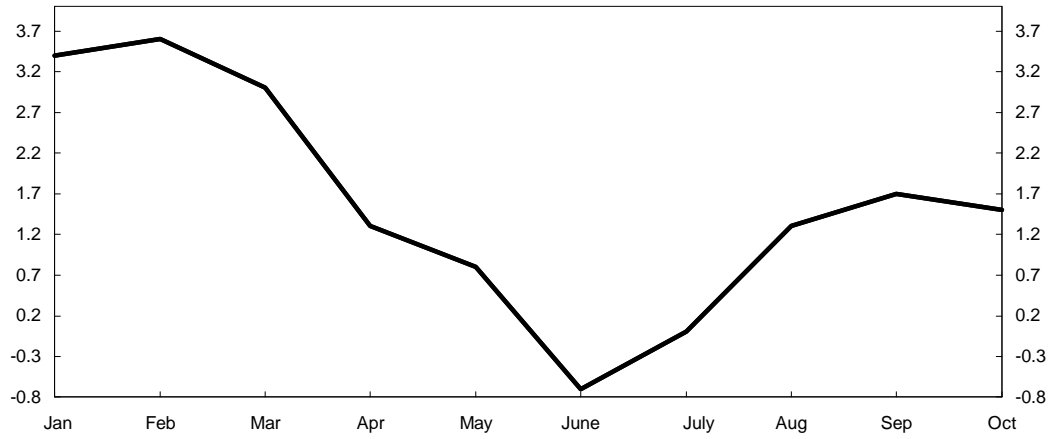
Forecasts for 1999

Independent average, January 1998 - October 1998

Current account
(£ billion)

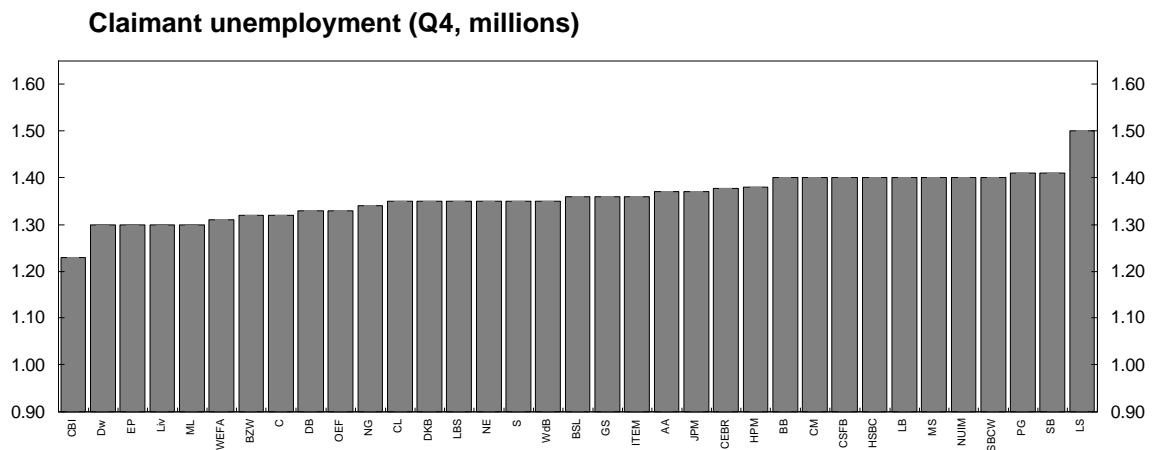
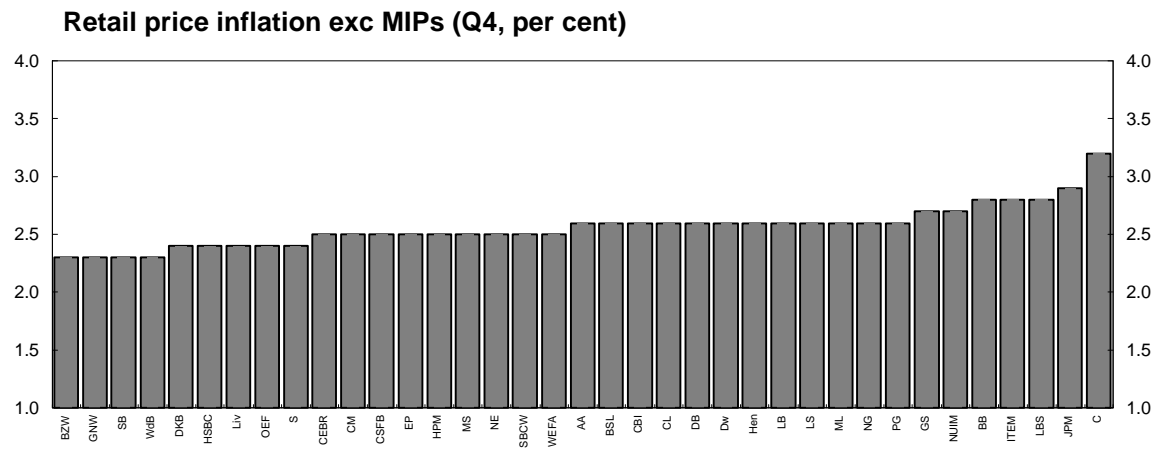
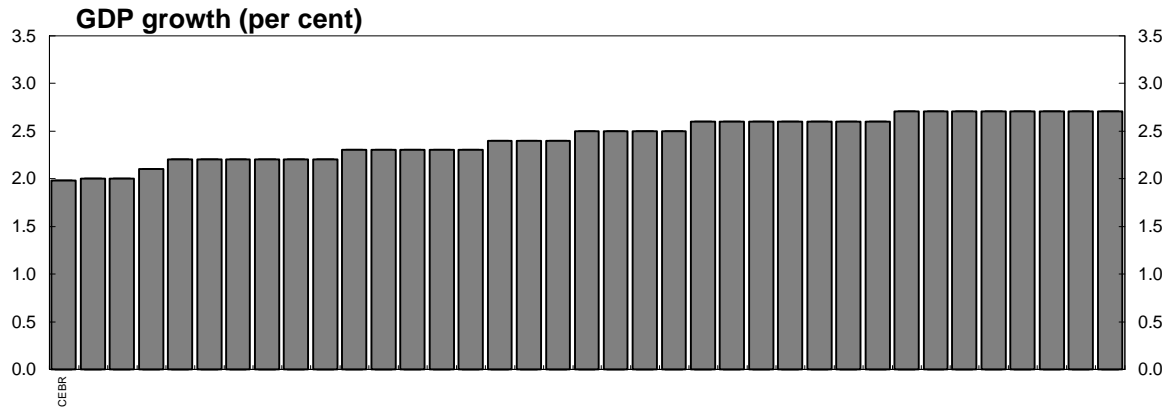


PSNCR 1999-00
(£ billion)



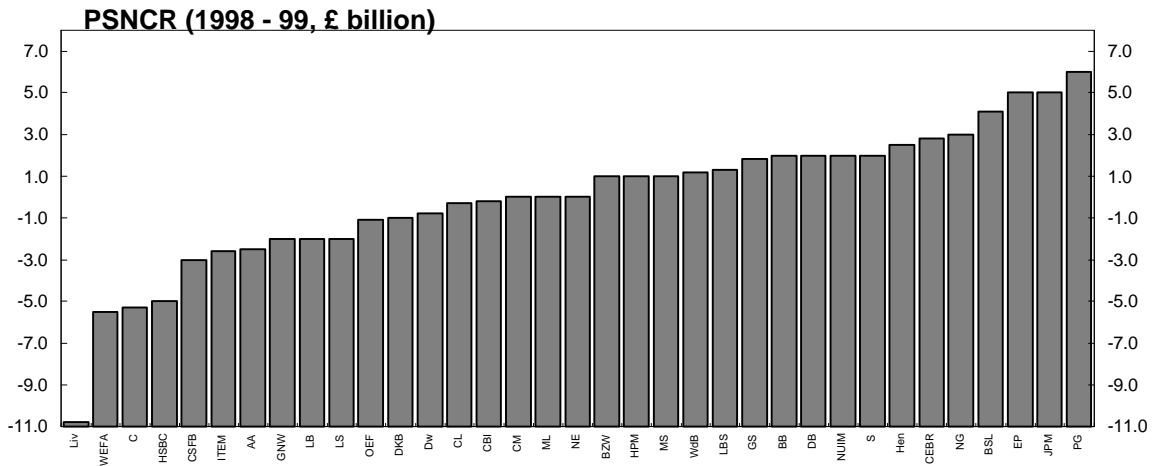
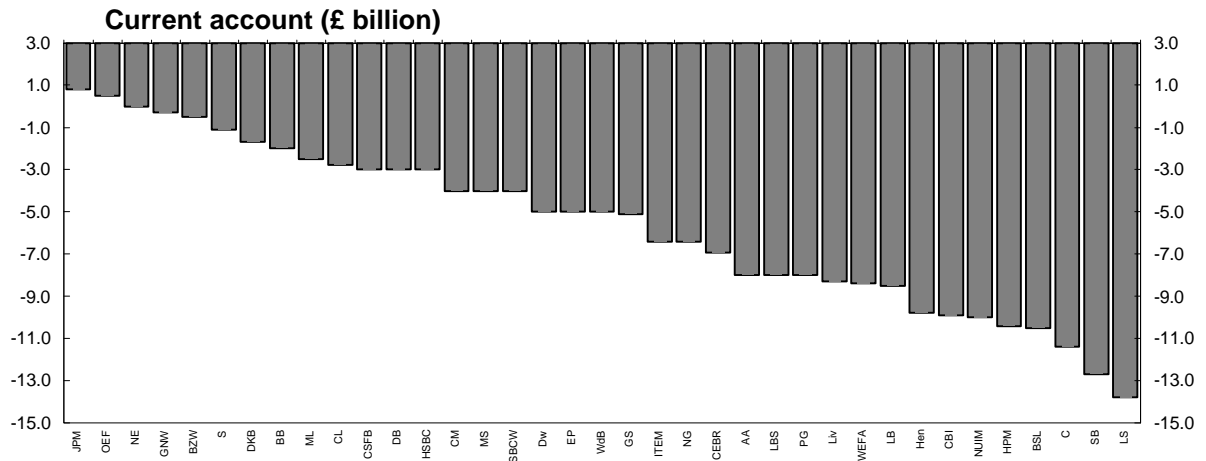
Forecasts for 1998

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



Forecasts for 1998

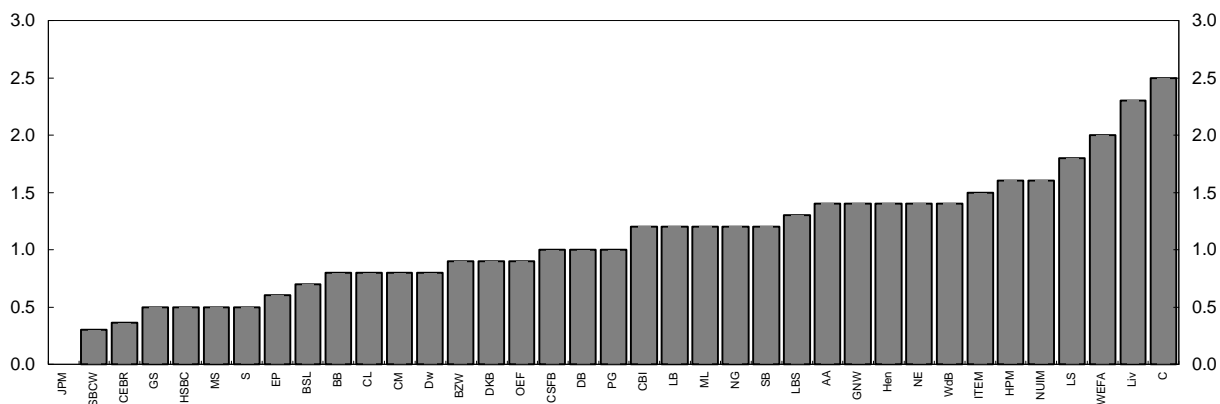
October 1998, range of forecasts (made in last 3 months)



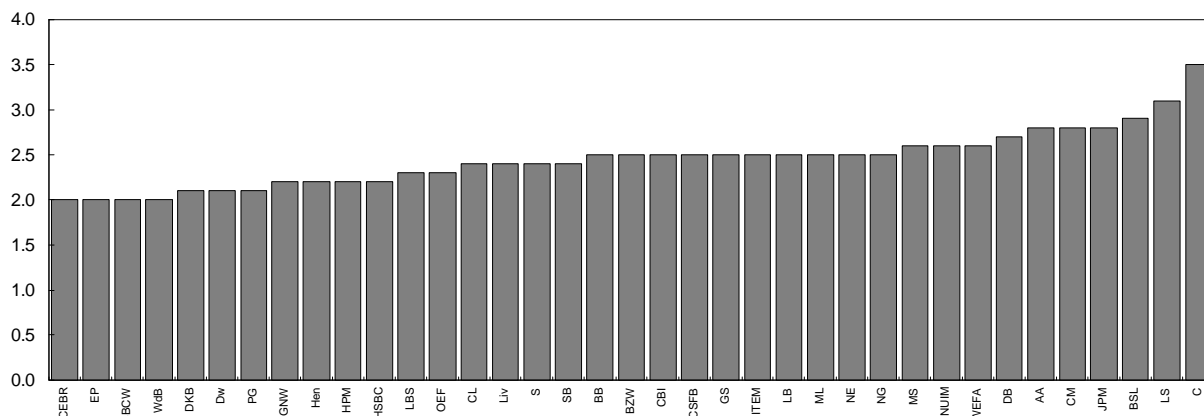
Forecasts for 1999

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

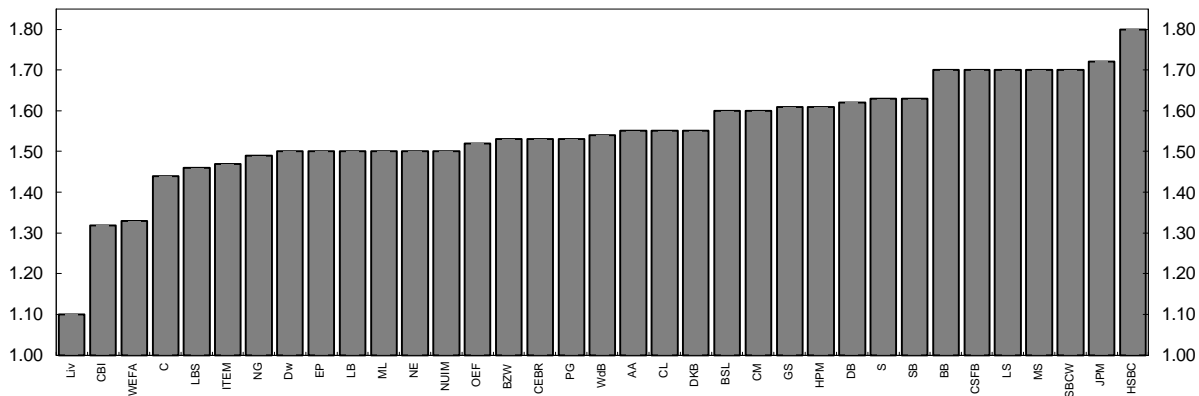
GDP growth (per cent)



Retail price inflation exc MIPs (Q4, per cent)

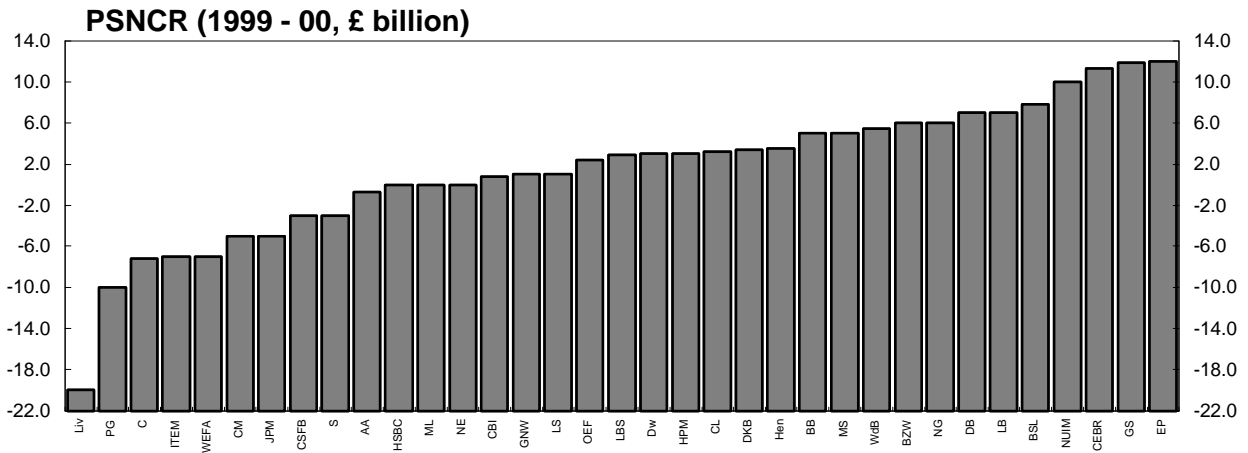
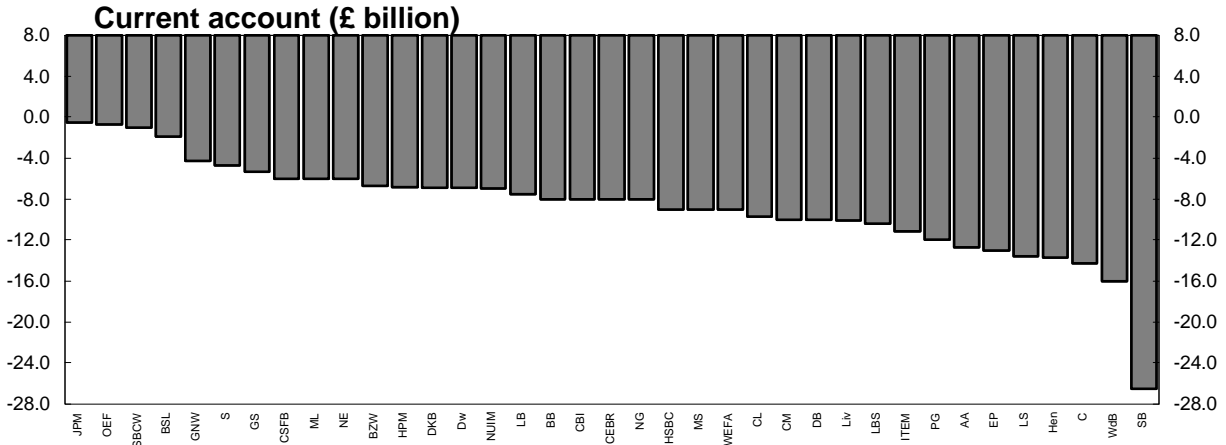


Claimant unemployment (Q4, millions)



Forecasts for 1999

October 1998, 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
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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