

Forecasts for the UK Economy

A comparison of independent forecasts

Contains forecasts to 2010

Compiled by the Macroeconomic Prospects Team

August 2006

www.hm-treasury.gov.uk/forecasts



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Payment of the subscription fee is £75. Cheques should be made payable to "HM Treasury votes cash Account", and should be sent to Tessa Caruth, Public Enquiry Unit, 2/W1, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ. Could fee paying subscribers direct enquiries to Tessa Caruth on 020 7270 4858. Free subscribers should contact Sion Alun Sheppard on 020 7270 5404. "Forecasts for the UK Economy" is compiled and coordinated by Sion Alun Sheppard. Please direct enquiries on the contents of this issue to Sion Alun Sheppard (020 7270 5404, Sion.Sheppard@hm-treasury.x.gsi.gov.uk).

The next edition will be published on 20th September 2006. It will also be available on the Treasury's Internet site: <http://www.hm-treasury.gov.uk>.

FORECASTS FOR THE UK ECONOMY
A comparison of independent forecasts, August 2006

This edition of the comparison contains 26 new forecasts, all of which were received between the 31st of July and the 10th of August. The tables below summarise the average and range of independent forecasts for 2006 and 2007 and show the average of this month's new forecasts.

Forecasts for 2006	Independent ⁺				Average of new* forecasts
	Averages		August		
	August	July	Lowest	Highest	
GDP growth (per cent)	2.5	2.4	2.0	2.8	2.5
Inflation rate (Q4: per cent)					
- CPI	2.3	2.1	1.4	2.9	2.3
- RPI	3.1	2.7	1.7	3.9	3.2
Claimant unemployment (Q4: mn)	0.99	0.99	0.90	1.17	0.99
Current account (£bn)	-33.4	-34.4	-41.6	-24.0	-32.5
PSNB (2006-07: £bn)	37.9	37.9	34.5	44.0	38.8

Forecasts for 2007	Independent ⁺				Average of new* forecasts
	Averages		August		
	August	July	Lowest	Highest	
GDP growth (per cent)	2.4	2.4	-0.3	3.2	2.3
Inflation rate (Q4: per cent)					
- CPI	2.0	1.9	1.4	3.1	2.0
- RPI	2.5	2.4	1.3	3.7	2.5
Claimant unemployment (Q4: mn)	1.03	1.04	0.88	1.40	1.04
Current account (£bn)	-34.3	-35.2	-53.7	-20.0	-34.4
PSNB (2007-08: £bn)	37.0	37.1	29.0	51.0	37.4

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (August: 26 institutions, July: 5 institutions, June: 3 institutions)

*Calculated from new forecasts received for the comparison this month

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

Table 1 - 2006: Growth in GDP and its components (% change)

August 2006 Comparison

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (£bn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
City Forecasters										
ABN AMRO	Jul	2.5	2.0	3.6	3.8	-	-	9.8	9.8	-
Bank of America	Aug *	2.6	2.2	1.8	4.9	4.9	2.6	10.9	10.0	-0.1
Barclays Capital	Aug *	2.6	2.2	3.8	4.2	3.3	3.0	10.0	10.4	-0.5
BNP Paribas	Apr	2.6	2.5	2.6	3.9	-0.1	2.6	5.5	5.2	-0.1
Bridgewell	Jul	2.6	2.7	1.6	4.6	3.9	2.8	10.5	10.5	-0.4
Capital Economics	Jul	2.5	2.0	1.3	4.5	3.1	2.3	12.5	10.7	0.2
Citigroup	Aug *	2.8	2.4	1.7	5.9	3.5	2.9	14.5	14.3	-0.1
Commerzbank	Aug *	2.6	2.2	1.8	5.3	3.9	2.7	14.1	13.4	-0.2
Credit Suisse First Boston	Aug *	2.5	2.3	1.8	5.5	4.2	2.8	11.8	11.8	-0.4
Daiwa Institute of Research	Aug *	2.5	1.8	1.8	5.0	5.5	2.6	10.3	9.8	-0.2
Daiwa Securities SMBC	May	2.3	1.6	2.7	2.5	1.8	1.9	6.2	4.5	0.3
Deutsche Bank	Jan	2.0	1.8	2.0	3.3	5.3	2.0	4.6	5.0	-0.3
Dresdner Kleinwort Wasserstein	Jul	2.3	1.9	1.6	4.3	-	2.4	-	-	-0.1
Economic Perspectives	Aug *	2.0	1.7	3.3	2.1	2.3	2.1	10.3	9.6	-0.2
Fortis Bank	Dec	2.5	2.1	2.0	5.2	-	2.4	8.1	6.8	0.2
Goldman Sachs	Aug *	2.8	1.9	1.9	4.1	0.1 h	2.6	13.9	12.1	0.1
Hermes	Aug *	2.5	2.3	1.6	5.2	4.9	2.8	11.7	11.6	-0.3
HSBC	Aug *	2.5	2.0	1.7	5.3	-	2.7	11.2	10.7	-0.2
ING Financial Markets	Aug *	2.5	1.7	2.1	4.7	2.7	2.5	8.9	8.4	-0.3
J P Morgan	Aug *	2.8	2.3	2.0	5.1	0.2	2.9	13.0	12.0	-0.1
Lehman Brothers	Aug *	2.6	2.0	1.8	3.6	5.1	2.4	13.5	11.8	0.1
Lombard Street	May	2.6	2.4	2.5	4.5	2.5	2.8	6.0	6.2	-0.3
MacroEcon.com	Aug *	2.6	2.4	2.6	2.6	3.3	2.6	9.5	8.5	-
Morgan Stanley	Jul	2.4	1.7	2.5	3.1	6.8	2.3	11.5	10.2	0.0
RBS Financial Markets	Aug *	2.6	2.1	1.9	5.6	5.4	2.8	11.4	11.3	-0.2
Schroders Investment Management	Jan	1.7	1.6	1.9	2.3	-	1.8	4.9	4.8	-0.1
Standard Chartered Bank	Jun	2.1	1.7	2.5	4.6	2.5	2.2	3.8	3.9	-0.2
UBS	Aug *	2.6	1.9	1.6	5.0	0.3	2.7	11.4	10.8	-0.2
WestLB AG	Aug *	2.5	2.1	1.7	4.7	5.5	2.5	11.2	10.5	-0.1
Williams de Broe	Jun	2.5	2.1	3.5	4.8	3.9	3.0	8.8	9.6	-0.7
Non-City Forecasters										
Cambridge Econometrics	Aug *	2.2	2.0	2.8	3.6	1.0	2.3	6.6	6.6	-0.2
CBI	Jun	2.4	2.2	2.5	4.5	4.9	2.8	7.7	8.4	-0.5
CEBR	Aug *	2.7	2.5	3.2	2.3	4.6	3.0	-	-	-
Experian Business Strategies	Aug *	2.6	2.3	1.8	4.3	5.3	2.7	12.8	12.0	-0.1
EIU	Jan	1.8	1.7	1.7	2.4	-	1.7	4.6	3.9	0.1
Global Insight	Aug *	2.6	1.9	1.8	4.7	-	2.6	11.9	10.9	0.0
ITEM Club	Aug *	2.5	2.0	2.5	5.1	0.0	2.6	15.0	14.4	0.0
Liverpool Macro Research	Aug *	2.6	1.6 c	3.3 d	5.3 e	-	-	-	-	-
Moody's Economy.com	Aug *	2.2	1.9	2.2	2.0	0.1	2.3	3.2	4.9	-
NIESR	Aug *	2.5	1.9	2.0	5.3	3.9 r	2.5	9.8	9.2	-0.1
OEF	Aug *	2.6	2.0	2.5	4.9	2.9	2.6	13.7	12.4	0.0
EC	May	2.4	1.9	3.0	3.4	0.0 h	2.5	5.9	5.2	0.0
OECD	May	2.4	2.1	2.5	3.1	0.0 h	2.4	7.3	6.7	-0.1
IMF	Apr	2.5	2.5	3.2	2.5	-0.1 h	2.5	5.7	5.3	-0.1
Average of Forecasts made in the last 3 months										
Independent		2.5	2.1	2.2	4.4	3.5	2.6	10.8	10.3	-0.2
New (marked *)		2.5	2.1	2.1	4.4	3.3	2.6	11.3	10.7	-0.2
City		2.5	2.1	2.1	4.5	3.8	2.6	11.1	10.5	-0.2
Range of Forecasts made in the last 3 months										
Highest		2.8	2.7	3.8	5.9	6.8	3.0	15.0	14.4	0.2
Lowest		2.0	1.7	1.3	2.0	0.0	2.1	3.2	3.9	-0.7
Median		2.5	2.0	1.9	4.7	3.9	2.6	11.2	10.5	-0.2
HM Treasury	Mar	2 to 2½	2 to 2½	2½	1¼ to 2	1.1 to 1.9	2 to 2¼	5 to 5½	4¼ to 4¾	0

Table 2 - 2006: Growth in prices and monetary indicators (% change)

August 2006 Comparison

Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4) (1990=100)	Bank of England Repo Rate (Q4,%)	Oil price (Brent, \$/bbl)	M4
City Forecasters									
ABN AMRO	Jul	2.0	-	2.4	5.0 gg	-	4.75	-	-
Bank of America	Aug *	2.5	-	2.9	4.1	-	5.00	68.0	11.9
Barclays Capital	Aug *	2.4	3.5	3.0	4.7	100.4	4.92	-	-
BNP Paribas	Apr	2.5	3.5	3.0	3.8	-	4.75	-	-
Bridgewell	Jul	2.6	3.8	3.2	4.2	95.7	5.00	-	11.7
Capital Economics	Jul	2.0	2.7	2.5	3.8	100.8	4.50	60.0	11.2
Citigroup	Aug *	2.6	3.8	3.3	3.9	102.7	4.92	70.4	-
Commerzbank	Aug *	2.4	3.4	3.2	4.2	101.8	4.75	68.6	-
Credit Suisse First Boston	Aug *	2.6	3.9	3.4	-	-	4.75	-	-
Daiwa Institute of Research	Aug *	2.4	3.5	2.9	4.2	103.8	5.00	70.3	10.8
Daiwa Securities SMBC	May	1.9	2.1	1.9	3.8	-	4.50	65.0	-
Deutsche Bank	Jan	1.6	2.0	2.0	4.2	97.2	4.00	60.0	6.4
Dresdner Kleinwort Wasserstein	Jul	2.0	2.4	-	4.0	-	4.50	-	-
Economic Perspectives	Aug *	2.4	2.7	2.5	3.8	100.0	4.70	67.0	11.5
Fortis Bank	Dec	1.8	-	-	4.2	-	4.50	60.0	-
Goldman Sachs	Aug *	2.4	-	3.2	4.5	96.0 j	4.90 js	70.6	12.0 j
Hermes	Aug *	2.2	3.1	2.7	4.3	100.0	4.75	-	-
HSBC	Aug *	2.3	3.4	2.9	4.2	101.1	4.75	-	-
ING Financial Markets	Aug *	2.2	2.9	2.6	4.2	-	4.75	68.0	12.5
J P Morgan	Aug *	2.9	3.8	3.2	-	-	5.00	-	-
Lehman Brothers	Aug *	2.1	3.3	2.7	4.0	101.0	4.75	-	-
Lombard Street	May	1.8	2.3	2.2	4.3	102.2	4.50	50.0	10.6
MacroEcon.com	Aug *	2.6	3.0	2.8	4.4	104.2	4.75	69.0	14.0
Morgan Stanley	Jul	2.4	3.2	2.9	4.0	97.4 j	4.75	72.1	-
RBS Financial Markets	Aug *	2.7	3.6	3.1	4.1	101.6 r	4.75	70.5	-
Schroders Investment Management	Jan	1.8	1.8	1.6	4.0	-	3.75	50.5	-
Standard Chartered Bank	Jun	1.5	-	-	4.2	-	4.50	60.0	-
UBS	Aug *	2.7	3.7	3.5	3.9	-	4.75	-	-
WestLB AG	Aug *	2.5	3.1	2.9	3.6	-	4.75	70.0	10.5
Williams de Broe	Jun	1.9	2.4	2.4	4.5	99.4 r	4.80	68.2	11.0
Non-City Forecasters									
Cambridge Econometrics	Aug *	2.0 k	2.3 k	2.1 k	4.2 n	103.1 k	4.50 ks	65.1	-
CBI	Jun	2.3	2.5	2.2	4.2	101.0 r	4.50	65.3 ii	-
CEBR	Aug *	2.4	3.3	3.0	3.8	-	4.75	71.2	-
Experian Business Strategies	Aug *	2.1	3.1	2.9	4.4	98.6	4.60	64.9	-
EIU	Jan	1.9	-	-	3.9	97.4	4.25	55.0	-
Global Insight	Aug *	2.4	3.1	2.8	4.2	-	4.75	70.1	11.9
ITEM Club	Aug *	1.4	2.3	3.4	4.1	102.6	4.75	70.0	11.0
Liverpool Macro Research	Aug *	-	-	2.3	4.2	101.0	4.50	-	-
Moody's Economy.com	Aug *	1.7	1.7	1.5	4.3	-	4.75	65.4	12.1
NIESR	Aug *	2.2	2.8 k	2.5 k	5.4 r	102.4 r	4.80 s	65.0 v	-
OEF	Aug *	2.3	3.3	2.8	4.2	102.8	4.75	69.2	13.3
EC	May	2.0	-	-	4.3 gg	-	-	-	-
OECD	May	2.1 k	-	-	5.1 gg	-	4.50 s	-	-
IMF	Apr	1.9	-	-	-	-	-	-	-
Average of Forecasts made in the last 3 months									
Independent		2.3	3.1	2.8	4.1	101.1	4.75	68.0	11.8
New (marked *)		2.3	3.2	2.9	4.1	101.5	4.78	68.7	11.9
City		2.3	3.3	2.9	4.1	101.1	4.78	68.0	11.7
Range of Forecasts made in the last 3 months									
Highest		2.9	3.9	3.5	4.7	104.2	5.00	72.1	14.0
Lowest		1.4	1.7	1.5	3.6	95.7	4.50	60.0	10.5
Median		2.4	3.2	2.9	4.2	101.0	4.75	69.0	11.7
HM Treasury	Mar	2	-	-	-	-	-	-	-

Table 3 - 2006: Growth in other selected variables (% change)

August 2006 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment Growth	Claimant Unemployment (Q4,millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2006-07)
City Forecasters								
ABN AMRO	Jul	2.3	-	1.62 a	-	-	-54.8 tt	35.2
Bank of America	Aug *	-	-	-	0.9	7.4	-26.8	43.8
Barclays Capital	Aug *	2.5	0.8	0.99	1.3	-	-37.4	38.0 cc
BNP Paribas	Apr	-	0.7	-	0.1	-	-25.4	37.5
Bridgewell	Jul	2.2	0.9	0.94	1.1	-	-40.1	39.6
Capital Economics	Jul	2.5	0.3	1.00	1.0	8.5	-32.0	37.0
Citigroup	Aug *	2.3	0.6	1.17	0.7	-	-41.5	40.8
Commerzbank	Aug *	2.5	0.7	0.97	0.6	8.0 w	-30.3	40.2
Credit Suisse First Boston	Aug *	-	-	-	-	-	-30.0	35.0
Daiwa Institute of Research	Aug *	2.0	0.5	1.06	0.7	8.6	-31.6	36.2
Daiwa Securities SMBC	May	-	-0.1	1.00	-	-	-25.0	39.0 cc
Deutsche Bank	Jan	-	0.5	1.02	-0.6	-	-26.0	38.0
Dresdner Kleinwort Wasserstein	Jul	-	-	-	-	-	-25.0	39.0
Economic Perspectives	Aug *	1.1	-0.3	1.10	0.5	10.0	-24.0	44.0
Fortis Bank	Dec	-	-	0.95	-	7.0	-25.0	34.0
Goldman Sachs	Aug *	-	1.0	1.70 a	1.0	-	-31.1	35.9
Hermes	Aug *	-	0.4	0.95	-	-	-30.0	-
HSBC	Aug *	-	-	1.10	0.6	-	-40.0	37.0
ING Financial Markets	Aug *	-	-	0.99	0.6	-	-32.0	39.0
J P Morgan	Aug *	-	-	-	-	-	-41.6	35.0
Lehman Brothers	Aug *	2.2	0.5	1.00	0.6	-	-31.0	38.0
Lombard Street	May	2.7	0.8	1.03	1.5	-	-28.4	40.0
MacroEcon.com	Aug *	-	0.8	0.92	-	5.5	-32.0	37.0
Morgan Stanley	Jul	2.3	0.7	-	0.8	-	-	38.3
RBS Financial Markets	Aug *	1.9	0.8	0.94	0.9	5.7	-37.1	35.1
Schroders Investment Management	Jan	-	-0.2	1.10	0.9	-	-21.0	44.0
Standard Chartered Bank	Jun	-	-	0.95	-	-	-32.0	35.0
UBS	Aug *	-	-	0.90	1.0	-	-33.4	39.2
WestLB AG	Aug *	-	1.0	-	0.5	-	-33.3	-
Williams de Broe	Jun	-	0.4	0.98	-0.2	8.7	-41.3	34.5
Non-City Forecasters								
Cambridge Econometrics	Aug *	2.3	0.7	1.00 k	0.5	3.5 hh	-27.2	46.2 kcc
CBI	Jun	2.1	0.4	0.99	1.0	8.6	-38.6	36.1
CEBR	Aug *	1.9	0.6	0.99	2.0	-	-33.2	39.8
Experian Business Strategies	Aug *	2.1	0.7	3.00 aak	0.5	10.7	-35.1	38.1
EIU	Jan	1.9	0.2	1.06	0.8	7.0	-25.2	38.9
Global Insight	Aug *	2.5	0.8	0.97	0.8	-	-30.6	39.4
ITEM Club	Aug *	2.0	0.8	0.98	1.0	8.5	-34.1	40.0
Liverpool Macro Research	Aug *	-	-	0.93	-	-	-35.3	35.2 cc
Moody's Economy.com	Aug *	2.1	1.0	0.95	0.2	-	-33.1	-
NIESR	Aug *	2.1	0.5	0.97 k	1.0	7.7 w	-35.9	34.7
OEF	Aug *	2.3	0.6	0.96	0.9	8.7	-30.5	37.5
EC	May	-	0.4	5.00 aak	-	-	-3.3 g	3.0 kqq
OECD	May	-	0.3	5.30 aak	-	-	-2.4 g	3.4 eeg
IMF	Apr	-	0.4	4.90 aak	-	8.0 w	-2.7 g	3.1 eeg
Average of Forecasts made in the last 3 months								
Independent		2.2	0.6	0.99	0.8	8.3	-33.4	37.9
New (marked *)		2.2	0.7	0.99	0.8	8.1	-32.5	38.8
City		2.2	0.6	1.00	0.7	7.8	-33.3	37.9
Range of Forecasts made in the last 3 months								
Highest		2.5	1.0	1.17	2.0	10.7	-24.0	44.0
Lowest		1.1	-0.3	0.90	-0.2	5.5	-41.6	34.5
Median		2.2	0.7	0.98	0.8	8.6	-32.6	37.7
HM Treasury	Mar	2½ to 2¾	-	-	½ to 1	7¼ w	-32¾	36

Table 4 - 2007: Growth in GDP and its components (% change)

August 2006 Comparison

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (£bn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
City Forecasters										
ABN AMRO	Jul	2.7	2.4	2.8	3.2	-	-	6.1	5.9	-
Bank of America	Aug *	2.4	2.1	1.9	3.3	4.2	2.3	3.8	3.1	0.1
Barclays Capital	Aug *	3.0	2.5	2.8	5.5	2.0	3.0	4.9	4.5	-0.1
BNP Paribas	Apr	2.7	2.8	2.3	4.6	0.4	3.0	4.8	5.4	-0.4
Bridgewell	Jul	2.7	3.0	2.5	3.5	2.3	2.8	6.8	6.7	-0.2
Capital Economics	Jul	2.2	2.5	2.0	2.5	2.6	2.3	2.2	2.5	-0.1
Citigroup	Aug *	2.8	2.4	2.2	7.9	0.4	3.1	5.9	6.7	-0.3
Commerzbank	Aug *	2.5	2.2	2.4	3.9	2.0	2.4	4.8	4.1	0.1
Credit Suisse First Boston	Aug *	2.5	2.8	2.3	4.8	4.6	2.8	5.8	6.3	-0.4
Daiwa Institute of Research	Aug *	2.3	2.1	2.5	3.3	3.3	2.3	5.1	4.6	0.0
Daiwa Securities SMBC	May	2.5	1.8	1.6	4.4	2.0	2.3	5.0	3.8	0.2
Deutsche Bank	Jan	-	-	-	-	-	-	-	-	-
Dresdner Kleinwort Wasserstein	Jul	1.9	1.8	2.0	2.7	-	2.0	-	-	-0.1
Economic Perspectives	Aug *	-0.3	0.3	1.8	-3.0	0.0	-0.1	2.1	2.4	-0.2
Fortis Bank	Dec	-	-	-	-	-	-	-	-	-
Goldman Sachs	Aug *	2.4	1.9	2.9	1.7	0.0 h	2.0	5.0	3.5	0.3
Hermes	Aug *	2.0	2.5	1.4	3.4	4.3	2.4	5.9	6.7	-0.5
HSBC	Aug *	2.2	1.9	2.3	2.9	-	2.1	4.1	3.6	-
ING Financial Markets	Aug *	2.0	1.9	2.1	3.2	0.8	2.2	3.9	4.3	-0.4
J P Morgan	Aug *	2.9	2.4	2.6	3.8	-0.3	2.4	7.8	5.6	0.5
Lehman Brothers	Aug *	2.2	1.4	2.5	3.3	3.1	1.7	3.3	1.6	0.5
Lombard Street	May	2.0	2.1	2.5	3.6	2.5	2.4	3.2	4.4	-0.5
MacroEcon.com	Aug *	2.7	3.2	2.2	2.8	3.3	3.1	8.0	7.5	-
Morgan Stanley	Jul	2.5	1.8	2.5	2.0	10.6	2.3	3.5	2.9	0.1
RBS Financial Markets	Aug *	2.5	2.3	2.6	4.1	4.0	2.6	4.1	4.1	0.0
Schroders Investment Management	Jan	2.4	2.5	1.5	2.8	-	2.6	4.6	4.6	-0.2
Standard Chartered Bank	Jun	2.5	1.8	2.0	4.8	2.8	2.4	3.8	3.3	0.0
UBS	Aug *	2.7	2.8	2.3	4.0	0.0	2.9	4.1	4.5	-0.3
WestLB AG	Aug *	2.1	2.1	1.4	2.6	5.3	2.1	3.9	3.4	0.0
Williams de Broe	Jun	3.2	2.7	2.5	3.4	3.9	2.8	5.2	3.6	0.4
Non-City Forecasters										
Cambridge Econometrics	Aug *	2.7	2.5	2.8	3.8	1.4	2.8	5.6	5.5	-0.1
CBI	Jun	2.5	2.3	2.5	4.1	2.9	2.5	5.0	4.7	-0.1
CEBR	Aug *	2.3	2.2	2.6	3.0	2.6	2.2	-	-	-
Experian Business Strategies	Aug *	2.4	2.5	1.8	2.2	6.1	2.3	4.5	4.2	0.0
EIU	Jan	-	-	-	-	-	-	-	-	-
Global Insight	Aug *	2.5	2.3	2.2	3.4	-	2.6	5.0	5.3	-0.1
ITEM Club	Aug *	2.5	2.4	2.5	3.5	0.0	2.6	9.0	8.4	-0.3
Liverpool Macro Research	Aug *	2.4	2.2 c	4.7 d	2.4 e	-	-	-	-	-
Moody's Economy.com	Aug *	2.2	2.4	2.0	2.2	1.2	2.4	3.3	4.0	-
NIESR	Aug *	2.6	1.9	2.8	3.2	4.8 r	2.4	2.8	2.3	0.1
OEF	Aug *	2.7	2.7	2.5	3.7	2.7	2.8	5.8	5.8	-0.2
EC	May	2.8	2.3	2.2	4.3	0.0 h	2.7	5.2	4.3	0.1
OECD	May	2.9	2.4	2.1	5.2	0.0 h	2.8	7.8	6.9	0.0
IMF	Apr	2.7	2.6	2.5	3.1	0.0 h	2.7	4.8	4.7	-0.1
Average of Forecasts made in the last 3 months										
Independent		2.4	2.2	2.3	3.3	2.8	2.4	4.9	4.6	0.0
New (marked *)		2.3	2.2	2.3	3.1	3.0	2.3	4.6	4.4	0.0
City		2.4	2.2	2.3	3.3	3.0	2.3	4.8	4.4	0.0
Range of Forecasts made in the last 3 months										
Highest		3.2	3.2	2.9	7.9	10.6	3.1	9.0	8.4	0.5
Lowest		-0.3	0.3	1.4	-3.0	-0.3	-0.1	2.1	1.6	-0.5
Median		2.5	2.3	2.4	3.3	2.7	2.4	4.9	4.3	-0.1
HM Treasury	Mar	2% to 3%	2% to 2%	2½	4 to 4½	1.8 to 3.8	2% to 3%	4% to 5%	4½ to 5	0

Table 5 - 2007: Growth in prices and monetary indicators (% change)

August 2006 Comparison

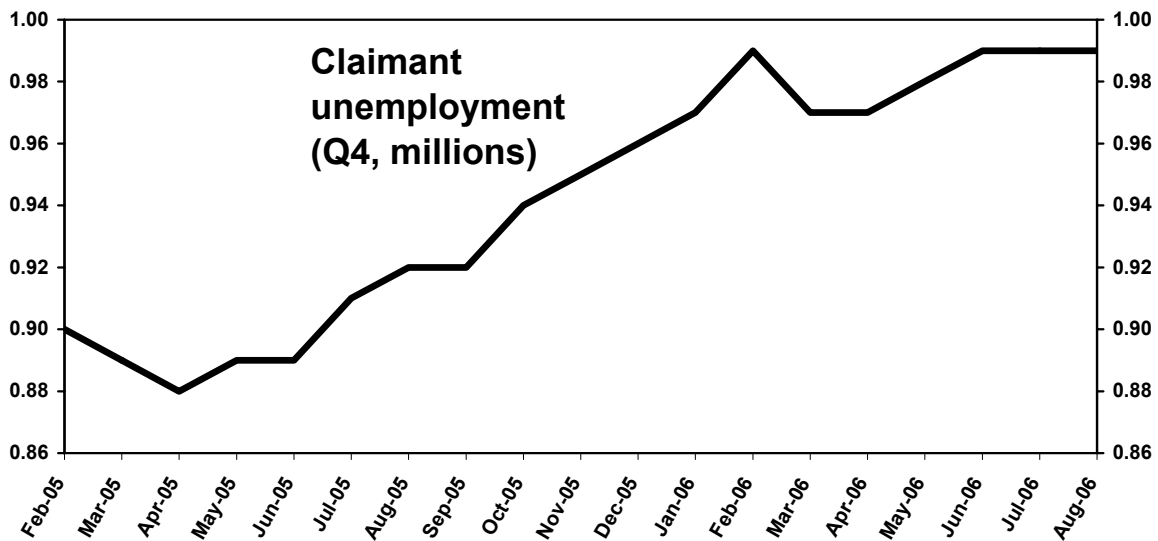
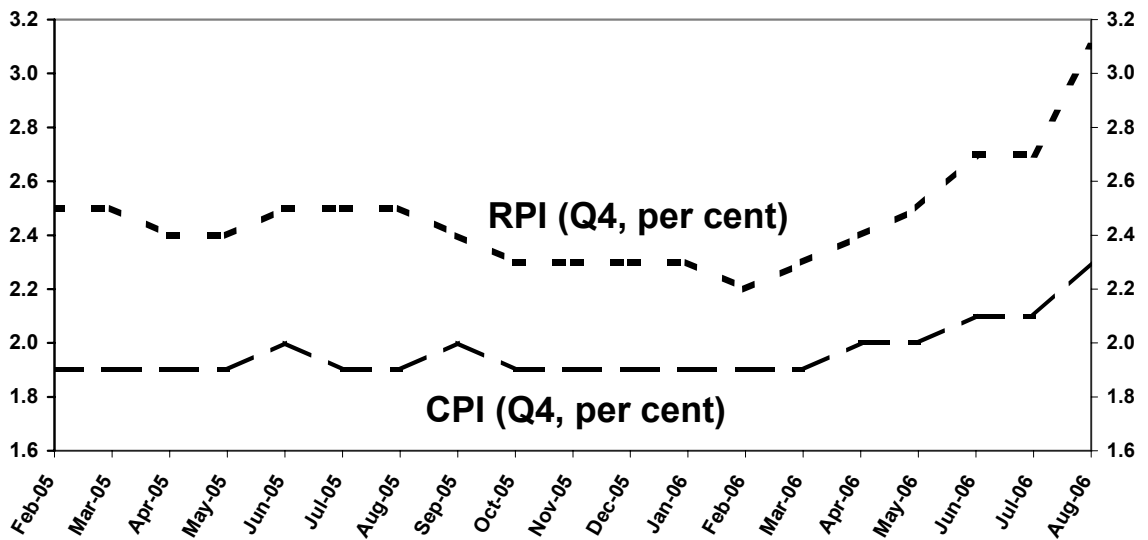
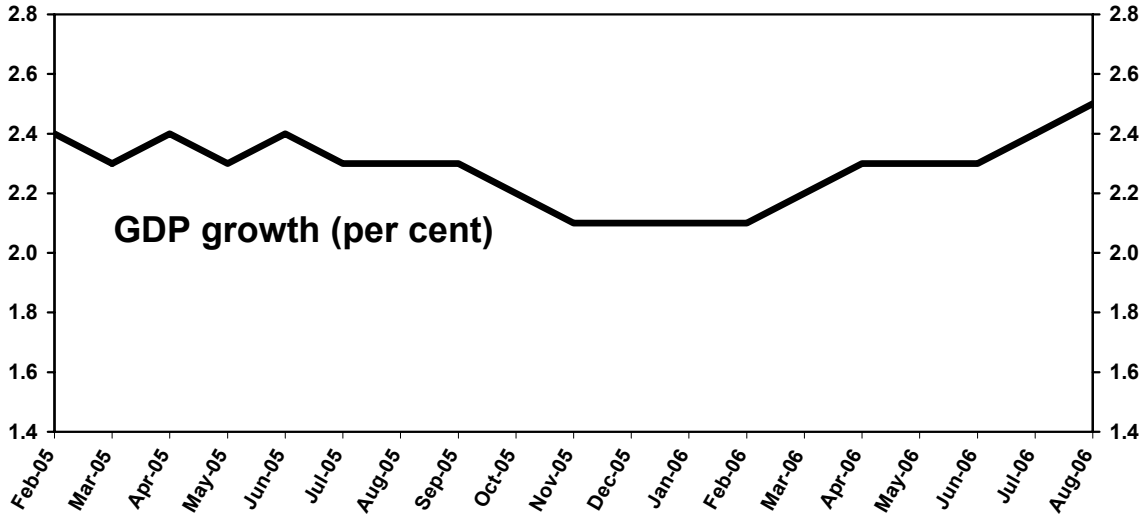
Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4) (1990=100)	Bank of England Repo Rate (Q4,%)	Oil price (Brent, \$/bbl)	M4
City Forecasters									
ABN AMRO	Jul	1.9	-	2.2	4.8 gg	-	5.00	-	-
Bank of America	Aug *	1.8	-	2.0	3.9	-	5.00	64.0	7.1
Barclays Capital	Aug *	2.0	2.6	2.3	4.6	98.0	5.00	-	-
BNP Paribas	Apr	2.1	2.8	2.3	4.1	-	4.75	-	-
Bridgewell	Jul	2.4	3.4	3.0	4.0	94.5	5.50	-	9.3
Capital Economics	Jul	1.4	2.1	2.0	4.0	98.4	4.25	50.0	8.0
Citigroup	Aug *	1.6	2.5	2.0	3.9	102.1	4.83	73.3	-
Commerzbank	Aug *	2.0	2.8	2.5	3.8	101.3	5.00	59.6	-
Credit Suisse First Boston	Aug *	2.1	3.4	2.5	-	-	5.25	-	-
Daiwa Institute of Research	Aug *	1.6	2.0	2.1	4.0	102.4	4.50	68.8	9.4
Daiwa Securities SMBC	May	2.0	2.4	2.2	4.3	-	4.50	55.0	-
Deutsche Bank	Jan	-	-	-	-	-	-	-	-
Dresdner Kleinwort Wasserstein	Jul	2.4	2.2	-	4.0	-	4.25	-	-
Economic Perspectives	Aug *	2.4	2.6	2.6	3.5	92.0	4.20	60.0	7.5
Fortis Bank	Dec	-	-	-	-	-	-	-	-
Goldman Sachs	Aug *	2.0	-	2.6	4.5	93.0 j	4.90 js	75.0	11.8 j
Hermes	Aug *	1.9	2.8	2.5	4.3	97.0	4.75	-	-
HSBC	Aug *	1.9	2.2	2.2	4.4	95.0	4.25	-	-
ING Financial Markets	Aug *	1.8	2.1	2.2	4.2	-	4.50	55.0	9.0
J P Morgan	Aug *	2.0	2.8	2.4	-	-	5.00	-	-
Lehman Brothers	Aug *	1.6	2.0	1.7	3.4	95.0	4.50	-	-
Lombard Street	May	1.8	2.0	2.2	2.8	101.5	3.75	40.0	7.3
MacroEcon.com	Aug *	3.1	3.5	3.2	4.6	103.0	5.00	65.0	15.0
Morgan Stanley	Jul	1.9	2.7	2.1	4.2	93.2 j	5.00	68.5	-
RBS Financial Markets	Aug *	2.0	2.8	2.5	4.3	100.2	4.75	75.0	-
Schroders Investment Management	Jan	1.9	2.5	2.5	4.2	-	4.00	50.0	-
Standard Chartered Bank	Jun	2.0	-	-	4.2	-	4.00	-	-
UBS	Aug *	2.6	3.7	3.6	4.2	-	4.75	-	-
WestLB AG	Aug *	1.9	1.8	1.5	3.5	-	4.75	70.0	10.0
Williams de Broe	Jun	1.9	2.4	2.6	4.7	91.5 r	5.70	70.3	6.8
Non-City Forecasters									
Cambridge Econometrics	Aug *	2.1 k	2.5 k	2.0 k	4.4 n	102.9 k	4.80 ks	63.5	-
CBI	Jun	2.2	2.7	2.4	3.9	101.0 r	4.50	63.5 ii	-
CEBR	Aug *	1.9	2.2	2.2	3.6	-	4.25	62.5	-
Experian Business Strategies	Aug *	2.3	2.6	2.6	4.6	96.5	4.56	56.6	-
EIU	Jan	-	-	-	-	-	-	-	-
Global Insight	Aug *	1.9	2.6	2.3	4.3	-	5.00	74.3	8.1
ITEM Club	Aug *	2.1	2.3	2.4	3.6	103.5	4.50	60.0	8.0
Liverpool Macro Research	Aug *	-	-	2.2	4.1	102.4	4.60	-	-
Moody's Economy.com	Aug *	1.4	1.3	1.2	4.7	-	5.00	52.1	11.1
NIESR	Aug *	2.3	3.3 k	2.8 k	4.5 r	101.9 r	5.30 s	64.2 v	-
OEF	Aug *	1.9	2.5	2.4	4.3	102.4	4.50	65.1	13.0
EC	May	2.0	-	-	4.4 gg	-	-	-	-
OECD	May	1.7 k	-	-	5.5 gg	-	4.60 s	-	-
IMF	Apr	2.0	-	-	-	-	-	-	-
Average of Forecasts made in the last 3 months									
Independent		2.0	2.5	2.3	4.1	99.3	4.73	64.4	9.4
New (marked *)		2.0	2.5	2.3	4.1	99.2	4.73	63.7	9.8
City		2.0	2.6	2.4	4.1	98.6	4.77	65.7	9.1
Range of Forecasts made in the last 3 months									
Highest		3.1	3.7	3.6	4.7	103.5	5.70	75.0	15.0
Lowest		1.4	1.3	1.2	3.4	92.0	4.00	50.0	6.8
Median		1.9	2.6	2.3	4.2	100.2	4.75	64.5	9.0
HM Treasury	Mar	2	-	-	-	-	-	-	-

Table 6 - 2007: Growth in other selected variables (% change)

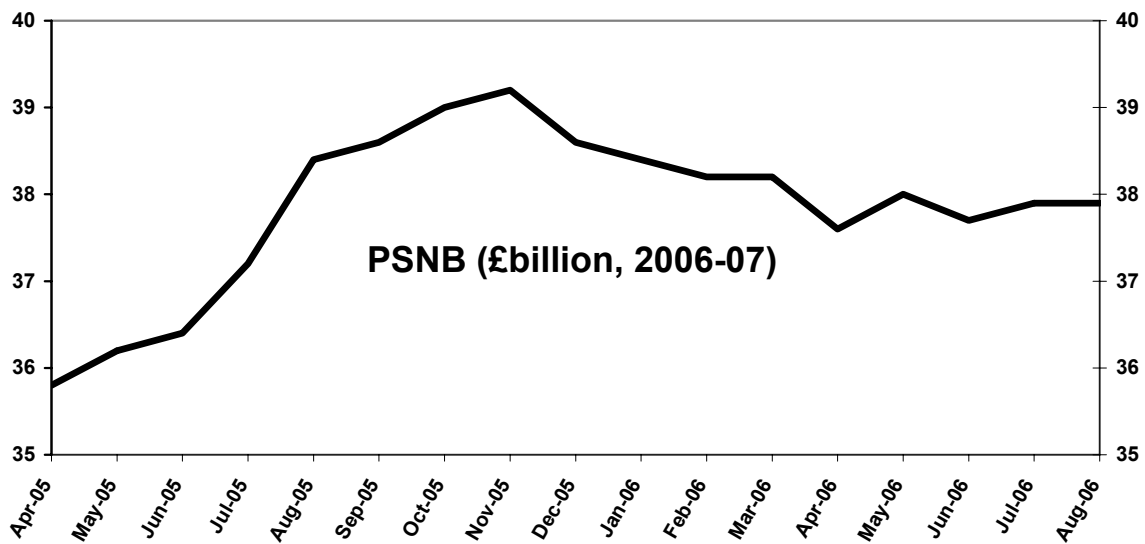
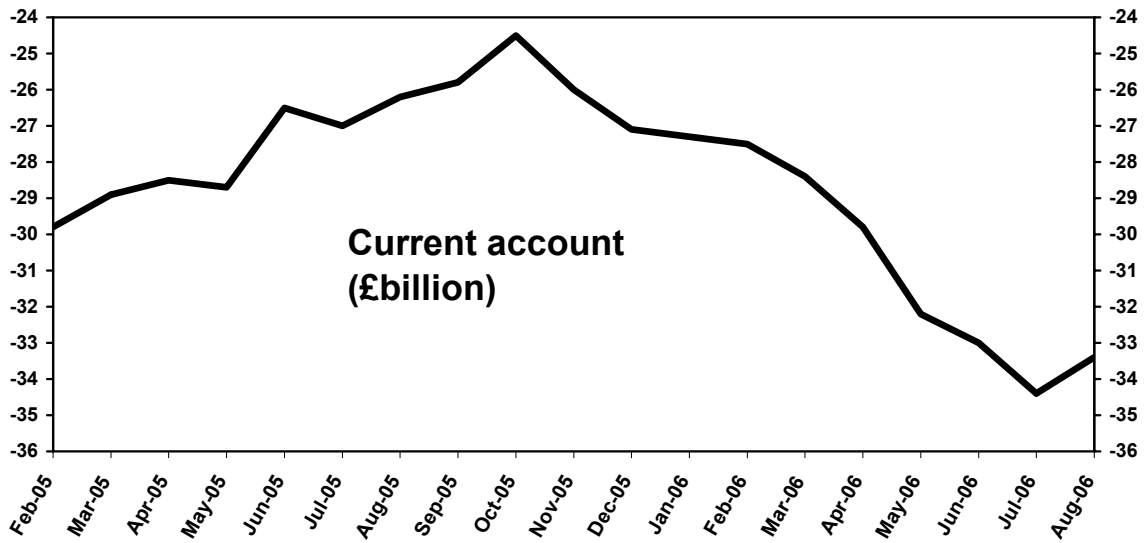
August 2006 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment Growth	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2007-08)
City Forecasters								
ABN AMRO	Jul	2.4	-	1.65 a	-	-	-59.0 tt	31.9
Bank of America	Aug *	-	-	-	1.8	7.0	-21.0	44.4
Barclays Capital	Aug *	2.6	0.9	0.98	3.7	-	-38.8	35.2 cc
BNP Paribas	Apr	-	1.0	-	1.2	-	-23.9	35.0
Bridgewell	Jul	2.6	1.2	0.90	2.6	-	-45.7	40.4
Capital Economics	Jul	2.2	0.4	1.00	1.5	7.0	-28.0	29.0
Citigroup	Aug *	2.3	1.0	1.18	0.9	-	-53.7	39.4
Commerzbank	Aug *	2.1	1.0	0.93	0.0	6.1 w	-30.8	33.4
Credit Suisse First Boston	Aug *	-	-	-	-	-	-30.0	30.0
Daiwa Institute of Research	Aug *	2.6	0.4	1.08	0.8	6.5	-25.6	37.8
Daiwa Securities SMBC	May	-	0.1	1.02	-	-	-27.0	36.0 cc
Deutsche Bank	Jan	-	-	-	-	-	-	-
Dresdner Kleinwort Wasserstein	Jul	-	-	-	-	-	-25.0	38.0
Economic Perspectives	Aug *	0.3	-1.2	1.40	0.8	4.0	-20.0	51.0
Fortis Bank	Dec	-	-	-	-	-	-	-
Goldman Sachs	Aug *	-	1.0	1.75 a	1.6	-	-29.6	34.5
Hermes	Aug *	-	0.5	1.00	-	-	-25.0	-
HSBC	Aug *	-	-	1.30	1.7	-	-37.0	40.0
ING Financial Markets	Aug *	-	-	1.20	1.6	-	-29.0	37.0
J P Morgan	Aug *	-	-	-	-	-	-43.7	32.0
Lehman Brothers	Aug *	2.7	0.8	1.07	0.1	-	-34.5	44.0
Lombard Street	May	2.2	0.5	1.15	0.5	-	-41.9	37.0
MacroEcon.com	Aug *	-	0.8	0.92	-	6.0	-30.0	35.0
Morgan Stanley	Jul	2.0	0.7	-	0.6	-	-	34.6
RBS Financial Markets	Aug *	2.8	0.7	0.95	1.5	5.2	-35.2	35.4
Schroders Investment Management	Jan	-	0.0	1.10	1.9	-	-29.0	45.0
Standard Chartered Bank	Jun	-	-	1.00	-	-	-29.0	32.0
UBS	Aug *	-	-	0.90	1.7	-	-37.7	39.2
WestLB AG	Aug *	-	1.0	-	1.2	-	-34.5	-
Williams de Broe	Jun	-	0.7	1.02	0.4	8.1	-47.4	43.7
Non-City Forecasters								
Cambridge Econometrics	Aug *	2.7	0.7	1.00 k	1.4	3.4 hh	-25.9	38.3 kcc
CBI	Jun	2.3	1.1	1.05	0.7	7.5	-34.9	35.3
CEBR	Aug *	2.2	0.3	1.06	0.8	-	-29.8	39.2
Experian Business Strategies	Aug *	2.5	0.1	3.10 aak	2.0	8.0	-51.7	32.1
EIU	Jan	-	-	-	-	-	-	-
Global Insight	Aug *	2.5	0.6	0.95	1.8	-	-29.8	37.2
ITEM Club	Aug *	2.7	1.0	0.88	1.9	6.7	-33.0	41.0
Liverpool Macro Research	Aug *	-	-	1.10	-	-	-42.1	36.1 cc
Moody's Economy.com	Aug *	2.2	0.8	0.97	1.4	-	-47.8	-
NIESR	Aug *	2.8	0.3	1.01 k	3.2	5.0 w	-40.2	31.2
OEF	Aug *	2.8	0.8	0.94	1.2	6.7	-31.5	36.8
EC	May	-	0.6	4.80 aak	-	-	-3.2 g	2.8 kqq
OECD	May	-	0.8	5.20 aa	-	-	-2.9 g	3.2 eeg
IMF	Apr	-	0.6	4.80 aak	-	7.5 w	-2.8 g	2.8 eeg
Average of Forecasts made in the last 3 months								
Independent		2.4	0.6	1.03	1.4	6.6	-34.3	37.0
New (marked *)		2.3	0.6	1.04	1.4	6.3	-34.4	37.4
City		2.2	0.6	1.05	1.3	6.3	-33.2	37.3
Range of Forecasts made in the last 3 months								
Highest		2.8	1.2	1.40	3.7	8.1	-20.0	51.0
Lowest		0.3	-1.2	0.88	0.0	4.0	-53.7	29.0
Median		2.5	0.7	1.00	1.5	6.7	-32.3	36.9
HM Treasury	Mar	2 to 2½	-	-	1¼ to 2¼	7 w	-36½	30

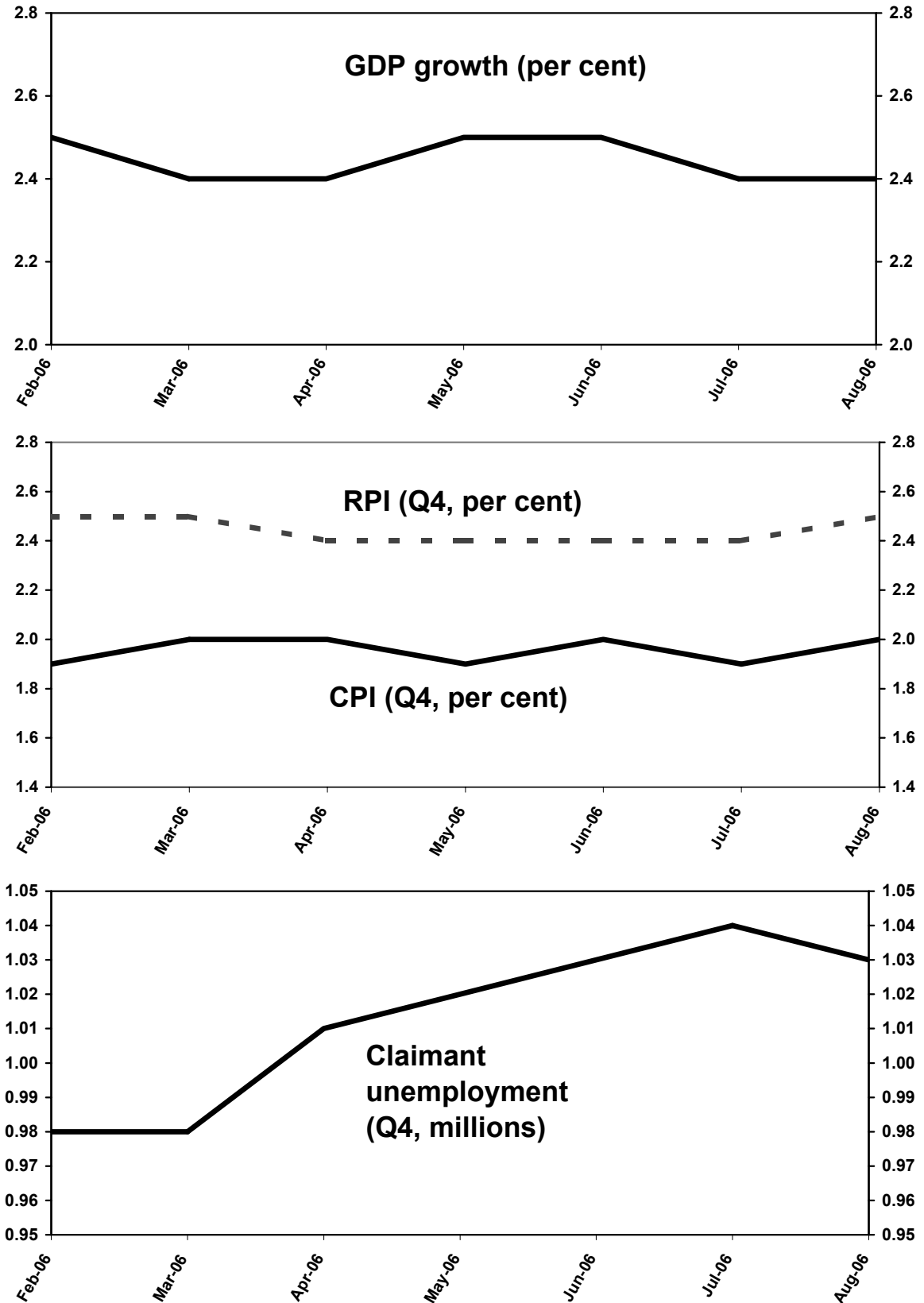
Average of independent forecasts for 2006; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



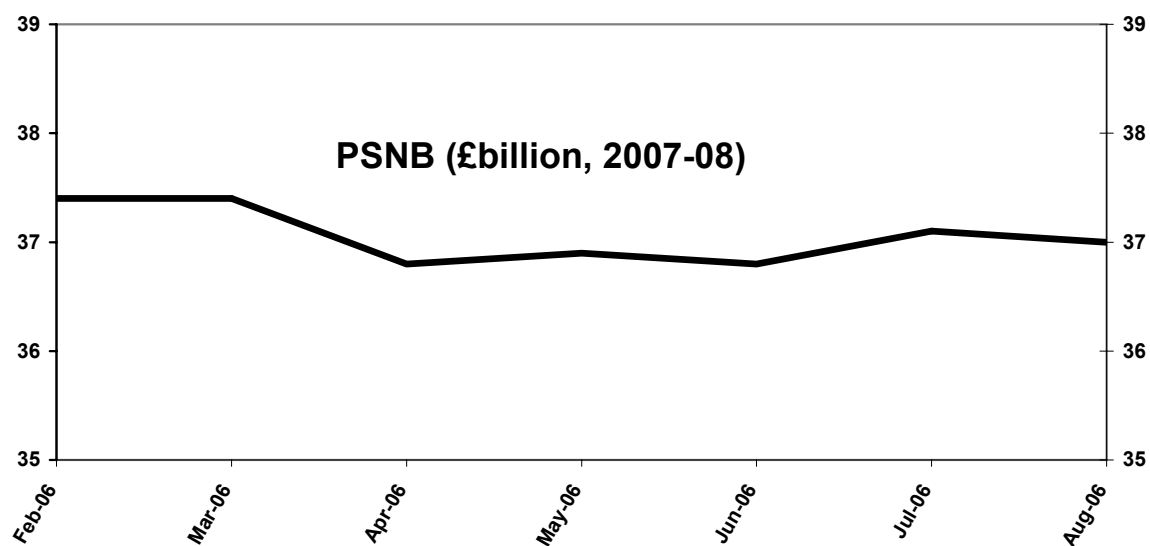
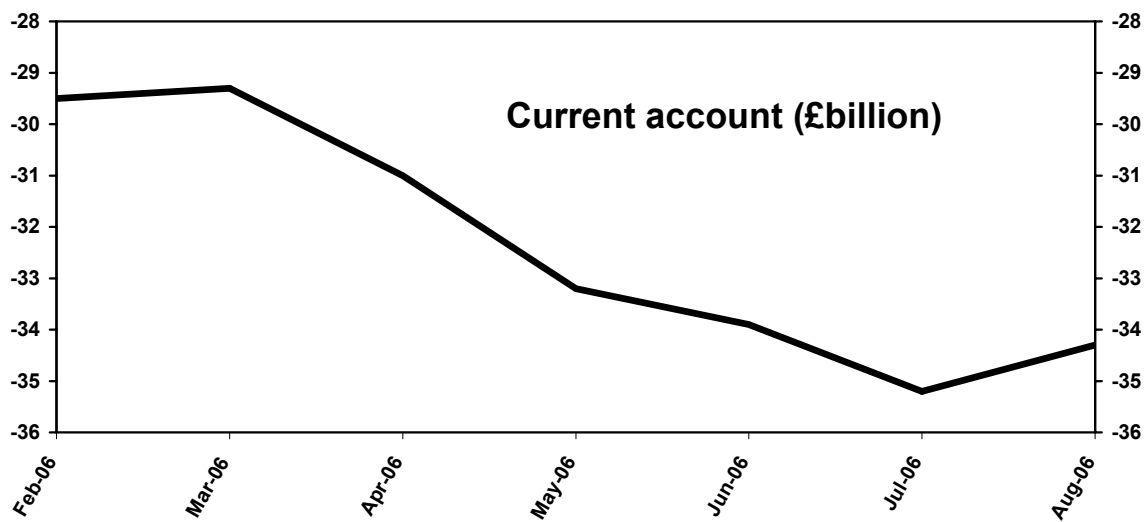
Average of independent forecasts for 2006; Current account and PSNB (2006-07, £billion)



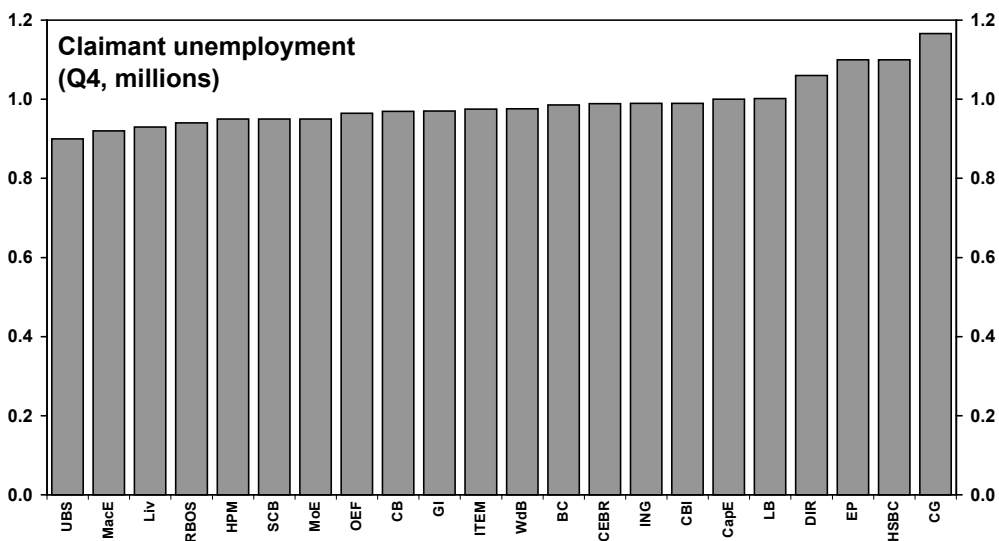
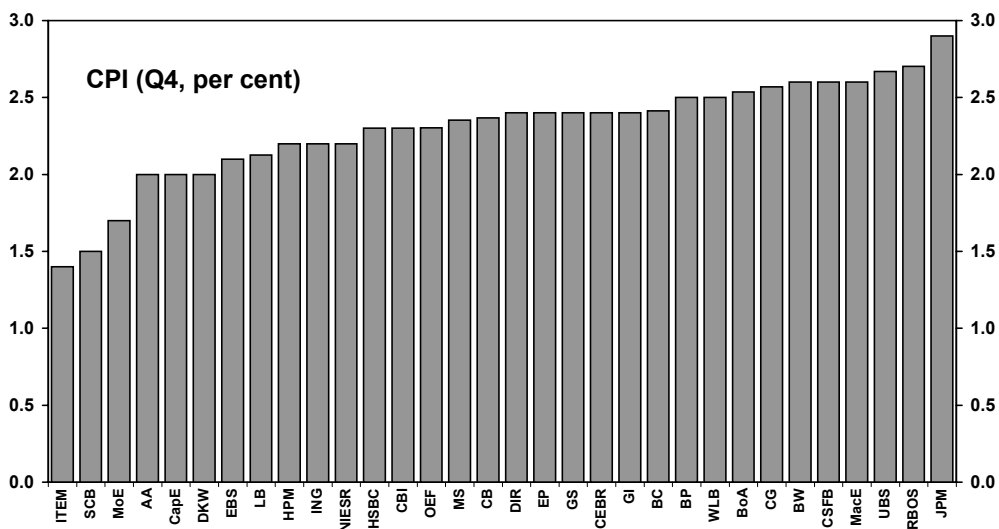
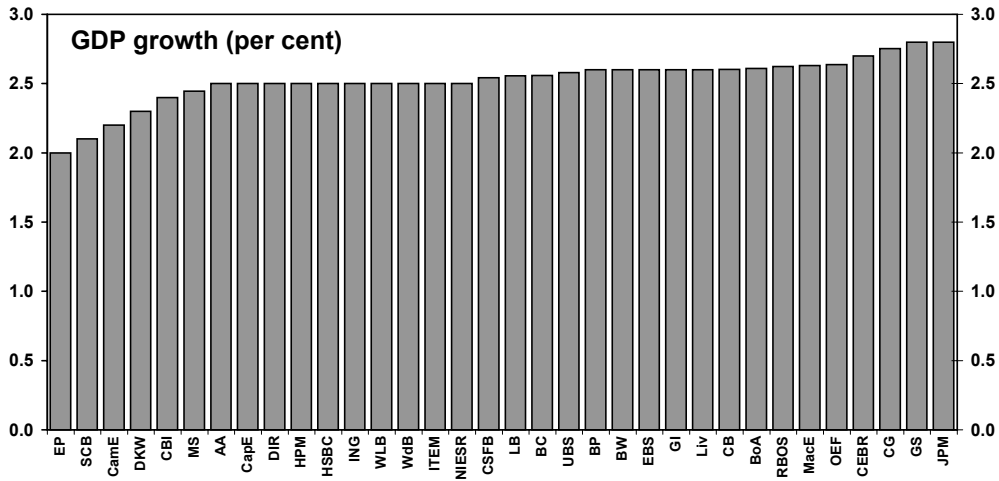
Average of independent forecasts for 2007; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



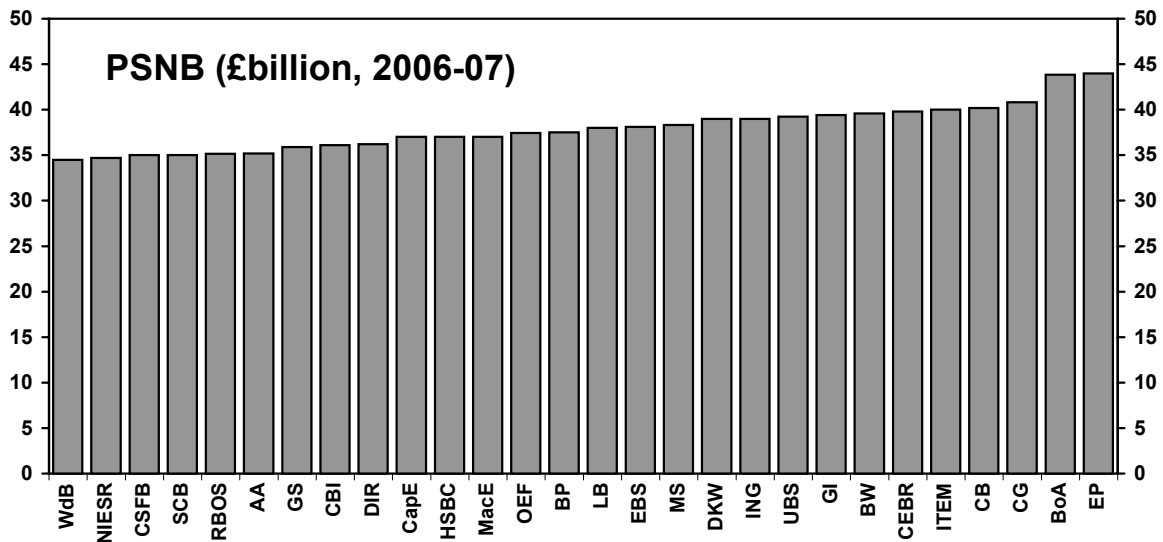
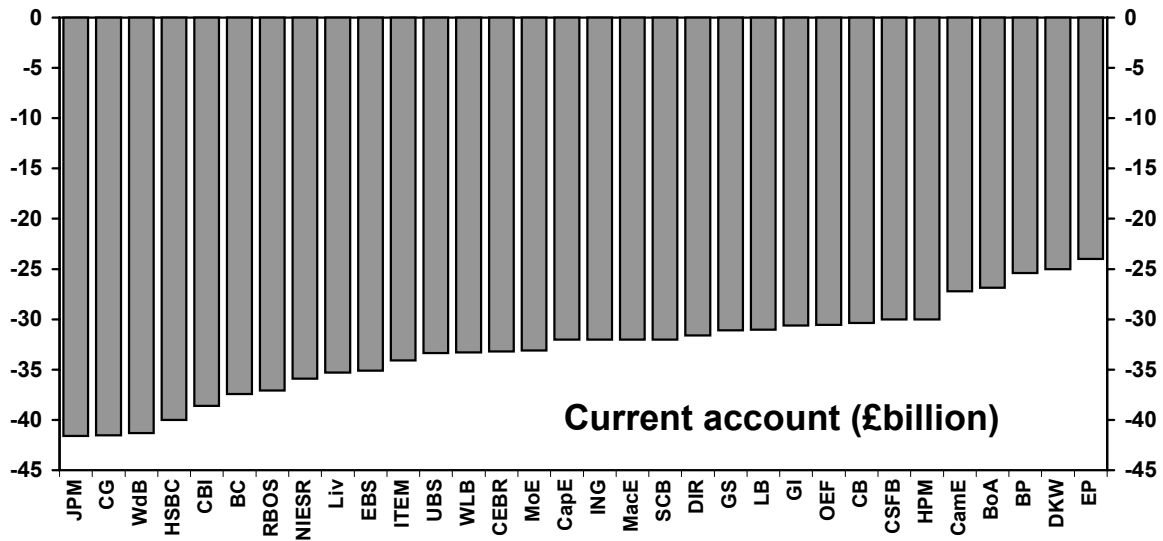
Average of independent forecasts for 2007; Current account and PSNB (2007-08, £billion)



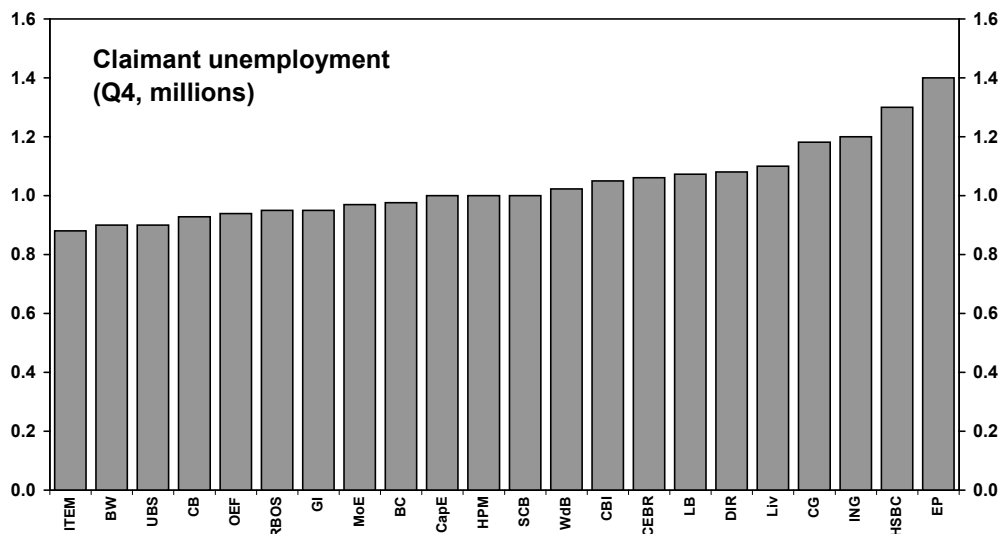
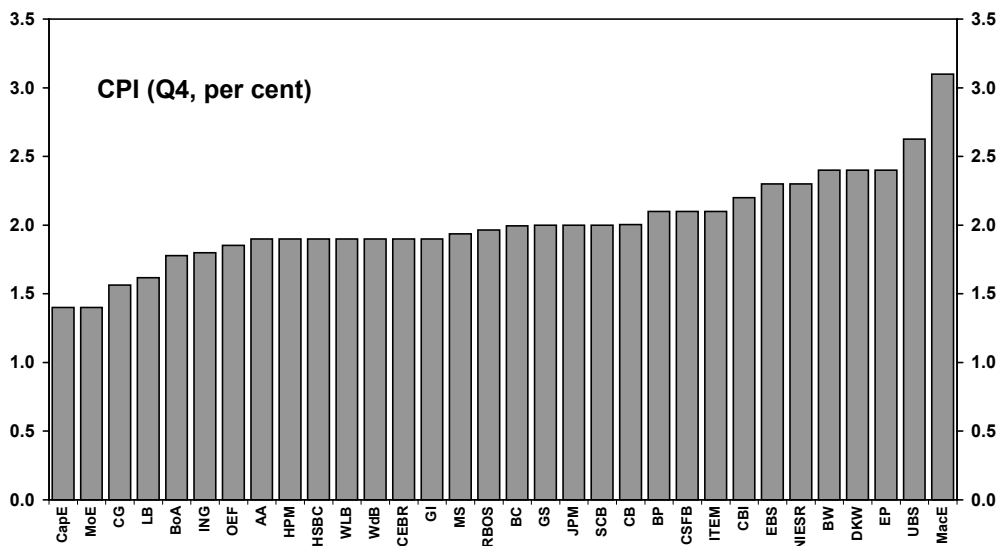
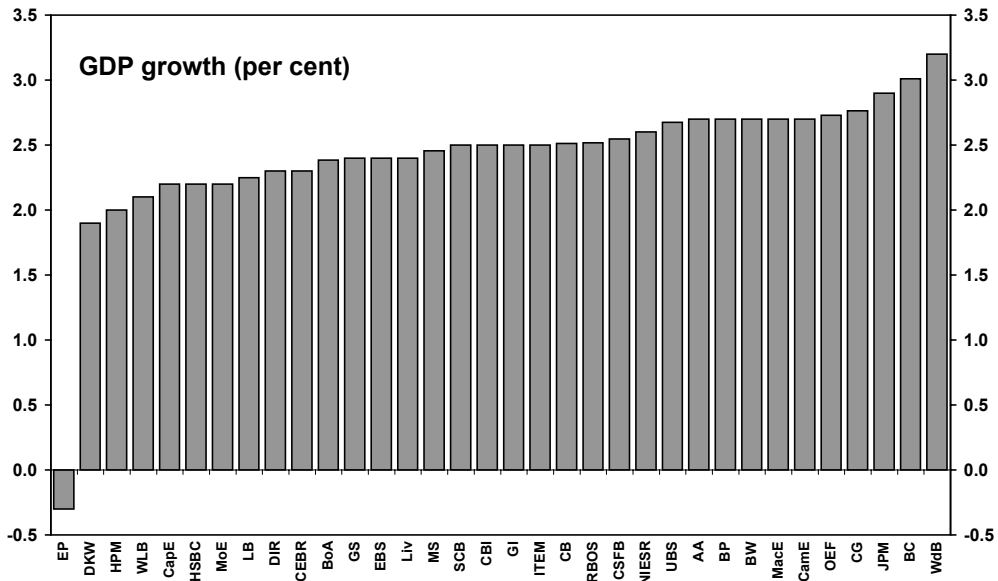
Range of Forecasts for 2006; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



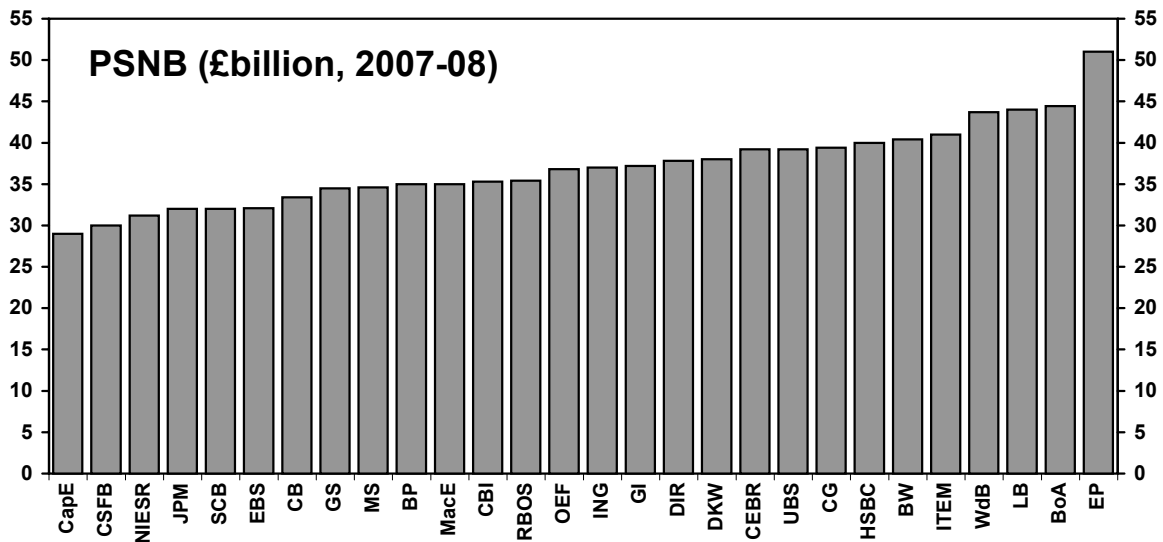
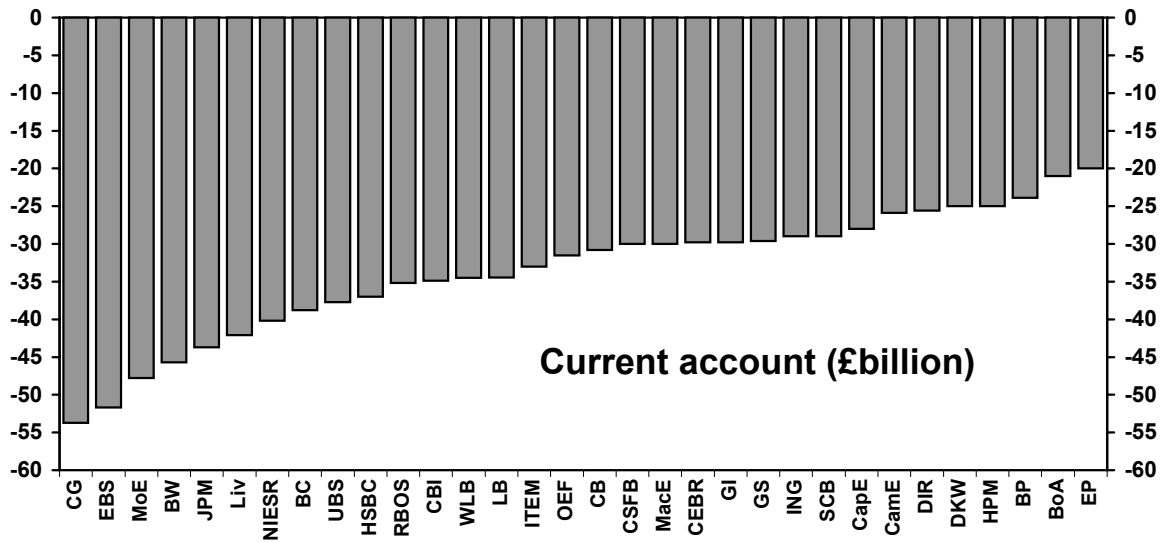
Range of Forecasts for 2006; Current Account (£bn) and PSNB (2006-07, £bn) made in last 3 months



Range of Forecasts for 2007; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



Range of Forecasts for 2007; Current Account (£bn) and PSNB (2007-08, £bn) made in last 3 months



Medium-term forecasts, August 2006

This edition of the comparison contains 15 new medium-term projections for the calendar years 2006 to 2010, and the fiscal years 2006-07 to 2009-10. The table below summarises the independent average, which is the average of all medium-term projections.

	Independent average				
	2006	2007	2008	2009	2010
GDP growth (per cent)	2.5	2.5	2.5	2.5	2.5
Inflation rate (per cent)					
- CPI	2.1	2.0	2.0	2.0	2.0
- RPI exc MIPs	2.5	2.4	2.4	2.4	2.4
Claimant unemployment (mn)	1.00	1.08	1.04	1.05	1.05
Current account (£bn)	-31.5	-34.2	-38.0	-36.9	-37.8

	Independent average			
	2006-07	2007-08	2008-09	2009-10
PSNB (£bn)	38.7	38.0	34.8	31.7

Table M1: Medium-term forecasts for GDP and the GDP deflator

August 2006 comparison

GDP (percentage change)					GDP Deflator (percentage change)				
2006	2007	2008	2009	2010		2006-07	2007-08	2008-09	2009-10
City forecasters									
2.0	2.2	2.3	2.6	2.7	Bank of America	2.2	2.1	2.0	2.0
2.3	2.6	2.5	-	-	BNP Paribas	-	-	-	-
2.8	2.8	2.4	2.2	2.2	Citigroup	3.2	2.5	2.4	2.6
2.6	2.5	2.9	2.7	2.9	Commerzbank	1.7	2.2	2.7	2.8
2.5	2.3	3.0	2.8	2.7	Daiwa Institute of Research	2.6	2.0	2.1	2.2
2.8	2.4	2.5	2.6	-	Goldman Sachs	2.8 k	2.6 k	2.5 k	2.5 k
2.5	2.0	2.3	2.3	2.3	Hermes	-	-	-	-
2.5	2.2	2.5	2.5	2.5	HSBC	-	-	-	-
2.5	2.0	2.5	2.9	2.6	ING	-	-	-	-
2.5	2.6	2.7	2.7	2.8	MacroEcon.com	-	-	-	-
1.8	2.2	2.7	-	-	West LB AG	-	-	-	-
2.6	3.1	2.2	2.0	2.1	Williams de Broe	2.4	1.6	2.9	3.6
Non-City forecasters									
2.2	2.7	3.1	2.7	2.5	Cambridge Econometrics	2.4 k	3.1 k	2.6 k	2.8 k
2.6	2.5	2.0	2.4	2.4	CEBR	2.2	1.7	1.7	2.4
2.6	2.4	2.7	2.8	2.7	Experian	2.8	1.7	2.1	2.1
2.6	2.5	2.7	3.0	2.5	Global Insight	2.5	2.6	2.9	2.6
2.5	2.5	2.8	2.6	2.5	ITEM Club	3.6	3.1	2.9	2.8
2.6	2.4	2.3	2.1	2.0	Liverpool Macro Research	-	-	-	-
2.2	2.2	1.8	2.0	2.0	Moody's Economy.com	-	-	-	-
2.5	2.6	2.6	2.6	-	NIESR	2.8 k	2.7 k	2.6 k	2.6 k
2.6	2.7	3.0	2.5	2.4	OEF	2.6	2.3	2.5	2.5
2.5	2.5	2.5	2.5	2.5	Independent average	2.6	2.2	2.4	2.6
2.8	3.1	3.1	3.0	2.9	Highest	3.6	3.1	2.9	3.6
1.8	2.0	1.8	2.0	2.0	Lowest	1.7	1.6	1.7	2.0

Table M2: Medium-term forecasts for Domestic Demand and Net Trade

August 2006 comparison

Domestic Demand (percentage change)					Contribution of net trade to GDP growth (per cent)					
2006	2007	2008	2009	2010		2006	2007	2008	2009	2010
City forecasters										
2.0	2.0	2.1	2.3	2.4	Bank of America	0.0	0.1	0.3	0.5	0.6
2.1	2.7	2.5	-	-	BNP Paribas	-	-	-	-	-
2.9	3.1	3.0	2.6	2.7	Citigroup	-0.1	-0.3	-0.7	-0.5	-0.5
2.7	2.4	2.7	2.6	2.8	Commerzbank	-0.2	0.1	0.1	0.0	0.0
2.6	2.3	2.9	2.9	2.8	Daiwa Institute of Research	-0.2	0.0	0.0	-0.3	-0.3
2.6	2.0	-	-	-	Goldman Sachs	0.1	0.3	-	-	-
2.8	2.4	2.5	2.5	2.5	Hermes	-0.3	-0.5	-0.2	-0.2	-0.2
2.6	2.1	2.6	2.6	2.6	HSBC	-0.1	0.1	-0.1	-0.1	-0.1
2.5	2.2	2.4	2.8	2.6	ING	-0.3	-0.4	0.0	-0.1	0.0
2.7	2.9	3.0	3.1	3.2	MacroEcon.com	-	-	-	-	-
1.9	-	-	-	-	West LB AG	0.1	-	-	-	-
2.5	2.7	1.3	1.5	1.5	Williams de Broe	0.0	0.3	1.0	0.7	0.5
Non-City forecasters										
2.3	2.8	3.2	2.7	2.5	Cambridge Econometrics	-0.2	-0.1	-0.2	-0.1	-0.1
2.2	2.2	1.7	2.5	2.9	CEBR	-	-	-	-	-
2.7	2.3	2.3	2.5	2.6	Experian	-0.1	0.0	0.3	0.3	0.1
2.6	2.6	3.0	2.9	2.5	Global Insight	0.0	-0.1	-0.3	0.1	0.0
2.6	2.6	2.8	2.6	2.6	ITEM Club	0.0	-0.3	0.0	-0.1	-0.1
-	-	-	-	-	Liverpool Macro Research	-	-	-	-	-
2.3	2.4	2.2	2.6	2.5	Moody's Economy.com	-	-	-	-	-
2.5	2.4	2.4	-	-	NIESR	-0.1	0.1	0.1	-	-
2.6	2.8	3.1	2.5	2.5	OEF	0.0	-0.2	-0.2	-0.1	-0.2
2.5	2.5	2.5	2.6	2.6	Independent average	-0.1	-0.1	0.0	0.0	0.0
2.9	3.1	3.2	3.1	3.2	Highest	0.1	0.3	1.0	0.7	0.6
1.9	2.0	1.3	1.5	1.5	Lowest	-0.3	-0.5	-0.7	-0.5	-0.5

Table M3: Medium-term forecasts for CPI and RPIX inflation (per cent)

August 2006 comparison

<u>CPI inflation (per cent), annual average</u>					<u>RPIX (per cent), annual average</u>					
2006	2007	2008	2009	2010		2006	2007	2008	2009	2010
<u>City forecasters</u>										
1.6	1.7	1.8	2.0	2.0	Bank of America	1.8	2.0	2.2	2.3	2.3
1.9	2.0	2.0	-	-	BNP Paribas	2.6	2.6	2.5	-	-
2.3	1.9	1.6	1.8	1.9	Citigroup	2.8	2.5	2.1	2.3	2.3
2.2	2.2	2.3	2.4	2.5	Commerzbank	2.9	2.7	3.0	3.2	3.2
2.2	1.9	1.5	1.6	1.8	Daiwa Institute of Research	2.7	2.3	2.1	2.2	2.4
2.2	2.1	2.0	2.0	-	Goldman Sachs	2.8	2.7	2.5	2.5	-
2.2	1.9	2.0	2.0	2.0	Hermes	2.7	2.5	2.5	2.5	2.5
2.1	1.9	2.0	2.0	2.0	HSBC	2.6	2.3	2.5	2.6	2.6
2.2	1.8	1.9	1.8	1.8	ING	2.6	2.2	2.3	2.3	2.3
2.6	3.1	3.3	3.5	3.9	MacroEcon.com	2.8	3.2	3.4	3.7	4.1
1.8	1.5	1.5	-	-	West LB AG	2.1	-	-	-	-
1.9	1.9	2.4	2.4	2.2	Williams de Broe	2.3	2.5	2.8	2.6	2.5
<u>Non-City forecasters</u>										
2.0	2.1	2.2	2.1	2.0	Cambridge Econometrics	2.1	2.0	2.2	2.2	2.1
2.0	1.8	1.8	1.9	2.0	CEBR	-	-	-	-	-
2.1	2.3	1.9	1.8	1.7	Experian	2.9	2.6	2.4	2.2	2.2
2.3	2.0	2.0	2.1	1.8	Global Insight	2.6	2.3	2.3	2.4	2.1
2.3	2.0	1.8	1.9	0.9	ITEM Club	2.7	2.6	2.3	2.4	2.6
-	-	-	-	-	Liverpool Macro Research	2.4	2.3	2.2	2.1	2.0
2.0	1.3	1.4	1.3	1.2	Moody's Economy.com	2.1	1.2	1.3	1.2	1.1
2.1	2.3	2.2	2.2	-	NIESR	2.5	2.8	2.7	-	-
2.2	1.9	1.9	1.9	1.9	OEF	2.7	2.4	2.5	2.5	2.5
2.1	2.0	2.0	2.0	2.0	Independent average	2.5	2.4	2.4	2.4	2.4
2.6	3.1	3.3	3.5	3.9	Highest	2.9	3.2	3.4	3.7	4.1
1.6	1.3	1.4	1.3	0.9	Lowest	1.8	1.2	1.3	1.2	1.1

Table M4: Medium-term forecasts for Sterling Index and BoE repo rate

August 2006 comparison

<u>Sterling Index (annual average, 1990=100)</u>					<u>Bank of England repo rate (annual average, per cent)</u>					
2006	2007	2008	2009	2010		2006	2007	2008	2009	2010
<u>City forecasters</u>										
-	-	-	-	-	Bank of America	4.20	4.00	4.25	4.50	4.50
-	-	-	-	-	BNP Paribas	4.63	4.75	4.75	-	-
101.2	102.4	101.5	100.5	99.5	Citigroup	4.65	4.96	4.75	4.75	4.75
102.5	101.8	101.3	101.3	101.3	Commerzbank	4.60	4.85	5.63	6.13	6.00
103.6	102.5	103.1	103.5	103.5	Daiwa Institute of Research	4.70	4.60	4.40	4.50	4.60
96.1 j	93.2 j	95.0 j	95.0 j	-	Goldman Sachs	4.80 s	4.80 s	5.00 s	5.00 s	-
100.0	97.0	92.0	92.0	92.0	Hermes	4.75	4.75	4.50	4.50	4.50
101.2	95.0	95.0	95.0	95.0	HSBC	4.69	4.25	4.75	5.00	5.00
-	-	-	-	-	ING	4.55	4.60	4.75	5.00	5.00
104.2	103.0	102.0	102.0	102.0	MacroEcon.com	4.50	4.75	4.75	4.50	4.00
-	-	-	-	-	West LB AG	4.10	-	-	-	-
99.6 r	94.0 r	87.4 r	83.2 r	80.9 r	Williams de Broe	4.60	5.50	6.00	5.90	5.60
<u>Non-City forecasters</u>										
103.1	102.9	102.7	99.3	102.7	Cambridge Econometrics	4.50 s	4.80 s	5.00 s	5.00 s	5.00 s
-	-	-	-	-	CEBR	4.50	4.30	4.10	4.30	4.80
98.6	96.5	96.8	96.9	97.6	Experian	4.60	4.56	4.00	3.64	3.50
-	-	-	-	-	Global Insight	4.60	4.85	5.04	5.15	4.56
103.0	100.0	97.0	95.2	94.0	ITEM Club	4.60	4.70	4.50	4.50	4.50
100.2	101.9	103.2	104.6	106.2	Liverpool Macro Research	4.60	4.50	4.60	4.60	4.70
-	-	-	-	-	Moody's Economy.com	4.56	4.88	5.13	5.44	5.06
102.0 r	102.1 r	101.5 r	101.1 r	-	NIESR	4.70 s	5.20 s	5.30 s	5.30 s	-
102.9	102.5	102.8	102.8	102.4	OEF	4.60	4.63	4.50	4.50	4.50
101.9	100.5	99.8	99.4	99.7	Independent average	4.56	4.67	4.73	4.81	4.72
104.2	103.0	103.2	104.6	106.2	Highest	4.75	5.50	6.00	6.13	6.00
98.6	95.0	92.0	92.0	92.0	Lowest	4.10	4.00	4.00	3.64	3.50

Table M5: Medium-term forecasts for Claimant unemployment

August 2006 comparison

<u>Claimant unemployment (annual average, millions)</u>					
	2006	2007	2008	2009	2010
<u>City forecasters</u>					
Bank of America	-	-	-	-	-
BNP Paribas	2.90 x	2.80 x	-	-	-
Citigroup	1.12	1.20	1.28	1.37	1.47
Commerzbank	1.59 a	1.53 a	1.45 a	1.40 a	1.37 a
Daiwa Institute of Research	1.00	1.09	1.06	1.00	0.93
Goldman Sachs	1.65	1.74	0.88	0.82	-
Hermes	0.95	1.00	1.00	1.00	1.00
HSBC	1.00	1.30	1.30	1.30	1.30
ING	0.96	1.10	1.20	1.15	1.00
MacroEcon.com	-	-	-	-	-
West LB AG	0.82	-	-	-	-
Williams de Broe	0.95	1.00	1.04	1.06	1.06
<u>Non-City forecasters</u>					
Cambridge Econometrics	0.96	0.98	0.95	0.95	0.94
CEBR	0.95	1.02	1.09	1.13	1.07
Experian	3.00 x	3.10 x	3.00 x	2.80 x	2.70 x
Global Insight	0.95	0.94	0.91	0.88	0.88
ITEM Club	0.96	0.92	0.84	0.81	0.81
Liverpool Macro Research	0.93	1.06	1.18	1.31	1.31
Moody's Economy.com	0.94	0.96	0.95	0.93	0.92
NIESR	0.97	1.01	1.01	-	-
OEF	0.96	0.95	0.93	0.93	0.95
Independent average	1.00	1.08	1.04	1.05	1.05
Highest	1.65	1.74	1.30	1.37	1.47
Lowest	0.82	0.95	0.84	0.81	0.81

Table M6: Medium-term forecasts for Current Account

August 2006 comparison

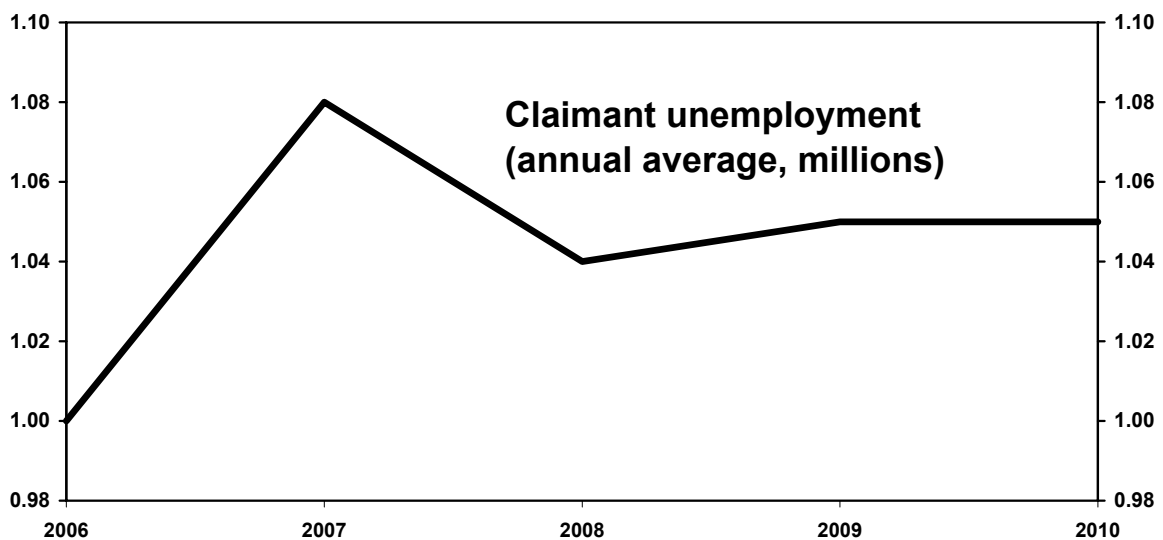
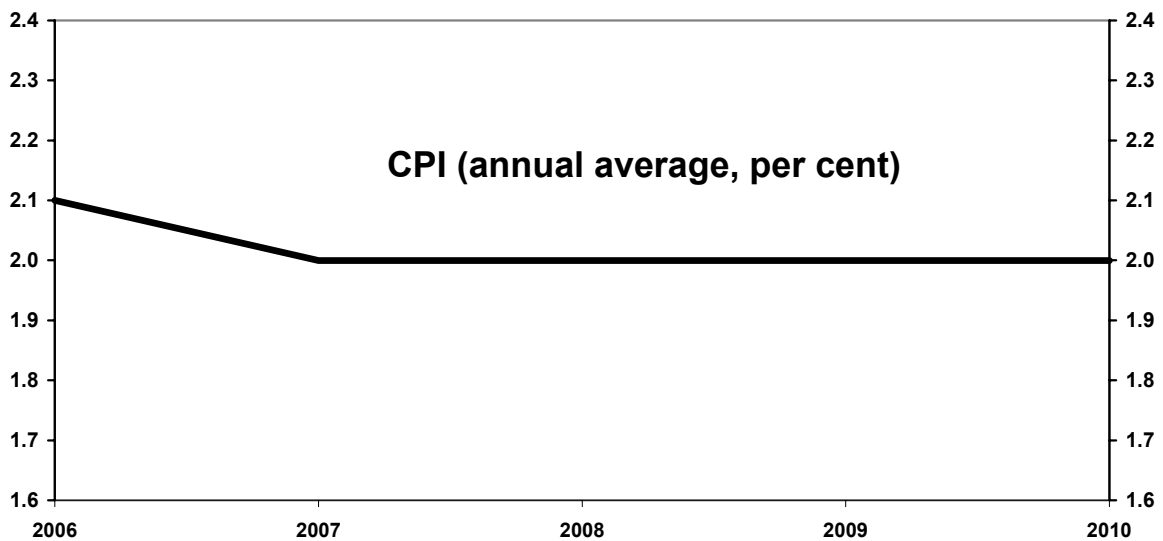
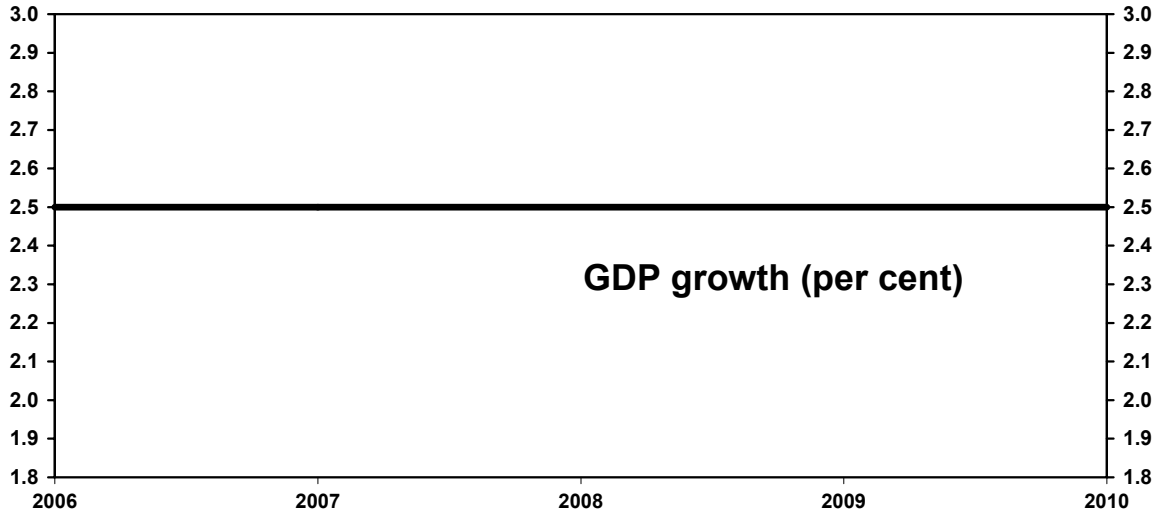
<u>Current Account (£ billion)</u>					<u>Current Account (per cent of money GDP)</u>					
2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
<u>City forecasters</u>										
-18.7	-16.9	-12.4	-11.6	-10.5	Bank of America	-1.5	-1.4	-0.9	-0.8	-0.7
-25.1	-23.6	-	-	-	BNP Paribas	-2.0	-1.8	-	-	-
-41.5	-53.7	-66.9	-79.4	-93.0	Citigroup	-3.2	-4.0	-4.7	-5.3	-5.9
-30.3	-30.8	-24.7	-24.4	-23.5	Commerzbank	-2.4	-2.4	-1.7	-1.6	-1.6
-31.6	-25.6	-18.8	-16.1	-17.6	Daiwa Institute of Research	-2.5	-1.9	-1.3	-1.1	-1.1
-31.1	-29.6	-39.8	-41.0	-	Goldman Sachs	-2.4	-2.1	-2.8	-2.8	-
-30.0	-25.0	-27.0	-29.0	-30.0	Hermes	-2.4	-1.9	-2.0	-2.0	-2.0
-40.0	-37.0	-25.0	-25.0	-25.0	HSBC	-3.4	-3.2	-2.0	-2.0	-2
-	-	-	-	-	ING	-2.3	-2.1	-2.0	-2.0	-1.9
-25.8	-28.0	-30.0	-32.0	-32.0	MacroEcon.com	-	-	-	-	-
-27.0	-	-	-	-	West LB AG	-2.1	-	-	-	-
-34.1	-43.7	-37.6	-25.8	-14.2	Williams de Broe	-2.6	-3.3	-2.6	-1.8	-0.9
<u>Non-City forecasters</u>										
-27.2	-25.9	-25.6	-24.6	-20.5	Cambridge Econometrics	-2.4	-2.2	-2.0	-1.9	-1.5
-33.2	-33.5	-34.3	-31.2	-29.3	CEBR	-	-	-	-	-
-35.1	-51.7	-53.4	-46.9	-40.9	Experian	-2.7	-3.8	-3.8	-3.2	-2.6
-30.6	-29.8	-31.0	-29.4	-28.7	Global Insight	-2.4	-2.2	-2.2	-1.9	-1.8
-34.1	-33.0	-34.0	-33.0	-33.0	ITEM Club	-2.6	-2.4	-2.3	-2.2	-2.1
-35.3	-42.1	-51.8	-54.8	-64.1	Liverpool Macro Research	-	-	-	-	-
-33.1	-47.8	-69.0	-64.6	-72.8	Moody's Economy.com	-2.6	-3.5	-4.9	-4.4	-5.1
-35.9	-40.2	-36.1	-32.2	-	NIESR	-2.8	-3.0	-2.5	-2.1	-
-30.5	-31.5	-29.4	-25.3	-25.8	OEF	-2.4	-2.3	-2.1	-1.7	-1.6
-31.5	-34.2	-38.0	-36.9	-37.8	Independent average	-2.5	-2.6	-2.5	-2.3	-2.2
-18.7	-16.9	-12.4	-11.6	-10.5	Highest	-1.5	-1.4	-0.9	-0.8	-0.7
-41.5	-53.7	-69.0	-79.4	-93.0	Lowest	-3.4	-4.0	-4.9	-5.3	-5.9

Table M7: Medium-term forecasts for PSNB

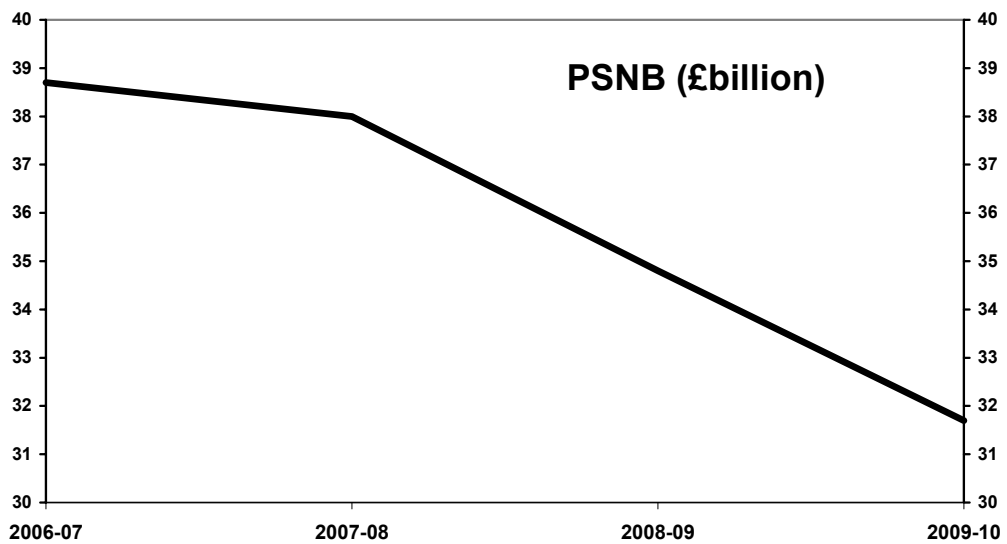
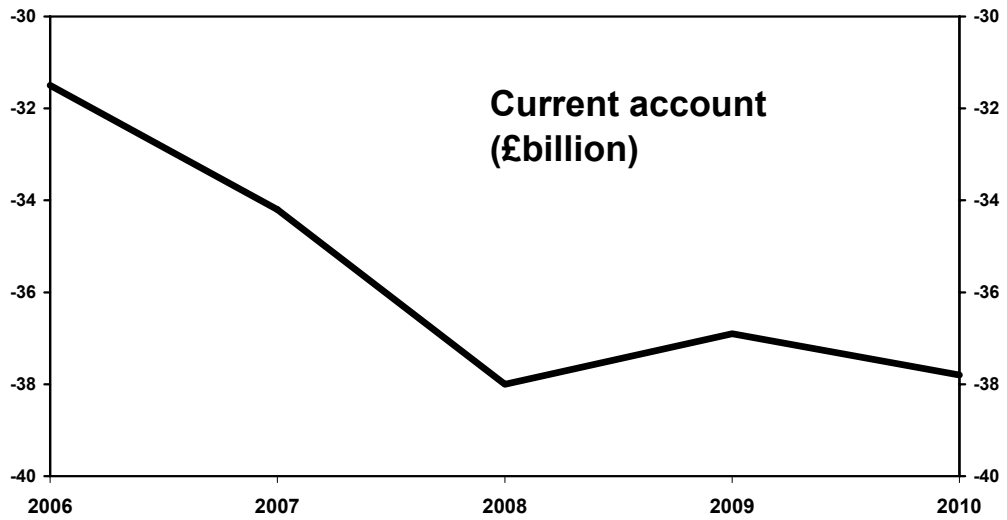
August 2006 comparison

<u>PSNB (£ billion)</u>					<u>PSNB (per cent of money GDP)</u>			
2006-07	2007-08	2008-09	2009-10		2006-07	2007-08	2008-09	2009-10
				<u>City forecasters</u>				
47.4	49.2	41.0	38.0	Bank of America	3.7	3.7	2.9	2.6
37.5	35.0	-	-	BNP Paribas	3.0	2.8	-	-
40.8	39.4	36.1	35.3	Citigroup	3.1	2.9	2.5	2.3
40.2	33.4	25.9	20.5	Commerzbank	3.1	2.5	1.8	1.4
36.2	37.8	35.8	35.3	Daiwa Institute of Research	2.8	2.8	2.5	2.3
35.9	34.5	22.3	11.6	Goldman Sachs	2.7	2.5	1.6	0.8
-	-	-	-	Hermes	-	-	-	-
37.0	40.0	40.0	30.0	HSBC	-	-	-	-
-	-	-	-	ING	-	-	-	-
-	-	-	-	MacroEcon.com	-	-	-	-
-	-	-	-	West LB AG	-	-	-	-
39.6	49.3	58.5	65.3	Williams de Broe	3.1	3.6	4.0	4.3
				<u>Non-City forecasters</u>				
46.2 kcc	38.3 kcc	37.1 kcc	31.8 kcc	Cambridge Econometrics	4.1 kcc	3.2 kcc	2.9 kcc	2.4 kcc
37.3	34.4	32.3	31.5	CEBR	-	-	-	-
38.1	32.1	26.1	17.8	Experian	2.9	2.4	1.8	1.2
39.4	37.2	31.2	28.6	Global Insight	3.0	2.7	2.1	1.8
40.0	41.0	35.0	30.0	ITEM Club	3.1	3.0	2.4	2.0
38.3 cc	34.1 cc	36.6 cc	41.5	Liverpool Macro Research	-	-	-	-
-	-	-	-	Moody's Economy.com	-	-	-	-
34.7	31.2	33.0	32.0	NIESR	2.6	2.3	2.3	2.1
37.5	36.8	35.0	36.5	OEF	2.9	2.7	2.4	2.4
38.7	38.0	34.8	31.7	Independent average	3.0	2.8	2.4	2.1
47.4	49.3	58.5	65.3	Highest	3.7	3.7	4.0	4.3
34.7	31.2	22.3	11.6	Lowest	2.6	2.3	1.6	0.8

Average of medium-term forecasts for GDP growth, CPI inflation and Claimant Unemployment



Average of medium-term forecasts for Current account and PSNB (£billion)



ANNEX 1: Forecasting institutions referred to in charts and tables

AA:	ABN AMRO
BoA:	Bank of America
BC:	Barclays Capital
BP:	BNP Paribas
BW:	Bridgewell
CamE:	Cambridge Econometrics
CapE:	Capital Economics Ltd
CG:	Citigroup
CBI:	Confederation of British Industry
CEBR:	Centre for Economics and Business Research Ltd
CB:	Commerzbank
CSFB:	Credit Suisse First Boston
DIR:	Daiwa Institute of Research
DSMBC:	Daiwa Securities SMBC
DB:	Deutsche Bank
DKW:	Dresdner Kleinwort Wasserstein
EBS:	Experian Business Strategies (previously BSL)
EC:	European Commission
EIU:	Economist Intelligence Unit
EP:	Economic Perspectives
FB:	Fortis Bank
GI:	Global Insight (previously DRI-WEFA)
GS:	Goldman Sachs
HSBC:	HSBC Economics and Strategy
HPM:	Hermes Pension Management Ltd
ING:	ING Financial Markets
IMF:	International Monetary Fund
ITEM:	ITEM Club
JPM:	JP Morgan Chase
LB:	Lehman Brothers
Liv:	Liverpool Macro Research
LS:	Lombard Street Research Ltd
MacE:	MacroEcon.com
MoE:	Moody's Economy.com Inc (previously Economy.com)
MS:	Morgan Stanley
NIESR:	National Institute for Economic and Social Research
OECD:	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
RBOS:	Royal Bank Of Scotland Financial Markets
S:	Schroders Investment Management
SCB:	Standard Chartered Bank
UBS:	UBS
WLB:	WestLB AG
WdB:	Williams de Broë

ANNEX 2: Data Definitions

GDP	National accounts table C2: Code ABMI
Private Consumption	Households + NPISH, National accounts table C2, Code ABR+HAYO
General Govt consumption	National accounts table C2, Code NMRY
Gross fixed investment	National accounts table C2, Code NPQT
Change in inventories (2000, £bn)	National accounts table C2, Code CAFU
Domestic Demand	National accounts table C2, Code YBIM
Exports (Goods & Services)	National accounts table C2, Code IKBK
Imports (Goods & Services)	National accounts table C2, Code IKBL
CPI (Q4)	Consumer Price Indices release, Table 1, Code CJYR
RPI (Q4)	Consumer Price Indices release, Table 1, Code CZBH
RPIX (Q4)	Consumer Price Indices release, Table 1, Code CDKQ
Headline average Earnings	Labour Market Statistics table 15, Code LNNC
Sterling Index (Q4, 1990=100)	ONS code AGBG
Bank of England repo rate (Q4)	(Previously 3 month interbank rate (Q4))
Oil price (\$ per barrel)	Brent crude, annual average
M4 growth	Bank of England Monetary and Financial statistics division Code VQJW, Calendar year (previously financial year)
RHDI	National accounts table J2, Code NRJR
Employment growth	Workforce jobs, Labour Market statistics table 4, Code DYDC
Claimant Unemployment (Q4, mn)	Labour market statistics table 10, code BCJD
Manufacturing Output	National accounts table B1, Code CKYY
World trade in Manufactures	
Current account (£bn)	Balance of payments release table A, Code HBOP
Public Sector Net Borrowing	Public sector finances release table PSF 1 / Public sector accounts table PSAT 1, Code ANNX

ANNEX 3: Notation used in tables

- a: ILO unemployment - millions
- 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 - percentage points
- i: growth in hourly earnings
- j: end period
- k: calendar year
- m: Average of UK Brent, Dubai, and West Texas Intermediate crude spot oil prices
- n: compensation of employees/head
- 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: different definitions; refer to forecasters for details
- s: 3 month interbank rate
- u: general government current and capital expenditure plus stockbuilding
- v: average of spot price of Brent crude and Dubai light crude
- w: world trade in goods and services
- x: claimant unemployment rate
- z: OECD real imports of goods and services
- aa: ILO unemployment rate
- bb: households only
- cc: PSNCR (Formerly PSBR)
- dd: harmonized index of consumer prices (HICP)
- ee: general government financial balance
- ff: gross disposable income deflated by implicit price of private consumption
- gg: Compensation of employees (code DTWM)
- hh: World GDP
- ii: OPEC average
- jj: Industrial output
- kk: Final domestic demand
- ll: GDP deflator
- nn: VAT fraud adjusted
- pp: % change on previous year
- qq: budget deficit as % of GDP
- rr: employee jobs (code BCAJ)
- ss: financial year- end
- tt: external trade balance

ANNEX 4: Organisation Contact Details

<u>Organisation</u>	<u>Contact</u>	<u>Telephone number</u>
ABN AMRO	James Carrick	020 7678 8199
Bank of America	Matthew Sharratt	020 7174 1633
Barclays Capital	George Johns	020 7773 4308
BNP Paribas	Alan Clarke	020 7595 8476
Bridgewell	Richard Jeffrey	020 7003 3500
Cambridge Econometrics	Rachel Beaven	01223 460 760
Capital Economics Ltd	Jonathan Loynes	020 7808 4983
Citigroup	Michael Saunders	020 7986 9297
CBI	Lai Wah Co	020 7395 8101
CEBR	Jonathan Said	020 7324 2840
Commerzbank	Peter Dixon	020 7653 7271
Credit Suisse First Boston	Neville Hill	020 7888 1334
Daiwa Institute of Research	Don Egginton	020 7597 8470
Daiwa Securities SMBC	Grant Lewis	020 7597 8336
Deutsche Bank	George Buckley	020 7545 1372
Dresdner Kleinwort Wasserstein	Marchel Alexandrovich	020 7475 2472
Experian Business Strategies (previously BSL)	Neil Blake	020 7355 8233
EC	John Sheehy	0032 2 299 33 99
EIU	Phillip Whyte	020 7830 1287
Economic Perspectives	Peter Warburton	01582 696 999
Fortis Bank	Nick Kounis	0031 20535 7106
Global Insight (previously DRI-WEFA)	Howard Archer	020 8544 7893
Goldman Sachs	Ann Terry	020 7774 1166
Hermes Pensions Management Ltd	Yasushi Okuda	020 7680 2395
HSBC	John Butler	020 7991 6718
ING Financial Markets	James Knightley	020 7767 6614
ITEM club	Peter Spencer	01904 433771
J P Morgan	Malcolm Barr	020 7777 1080
Lehman Brothers	Alan Castle	020 7102 7745
Liverpool Macro Research	David Meenagh	029 2087 5198
Lombard St Research Ltd	Michael Taylor	020 7382 5930
MacroEcon.com	Mark Nielson	646 621 6828 (USA)
Moody's Economy.com (previously Economy.com)	Paul Guest	020 8785 5616
Morgan Stanley	Melanie Baker	020 7425 8607
Morgan Stanley	Vladimir Pillonca	020 7425 5839
NIESR	Rebecca Riley	020 7222 7665
Oxford Economic Forecasting	Adrian Cooper	01865 268 900
Royal Bank of Scotland	Geoffrey Dicks	020 7085 4277
Schroders Investment Management	Richard Batley	020 7658 2011
Standard Chartered Bank	Gavin Redknapp	020 7280 6071
UBS	Amit Kara	020 7568 3522
WestLB AG	Alexander Krueger	0049 211 8267 1749
Williams de Broë	David Smith	020 7898 2402