

# Forecasts for the UK Economy

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## A comparison of independent forecasts

Compiled by the Macroeconomic Prospects Team

July 2005

[www.hm-treasury.gov.uk/forecasts](http://www.hm-treasury.gov.uk/forecasts)



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## **CONTENTS**

- Page 1** : Summary Page
- Page 2** : Table 1 - 2005: Growth in GDP and its components (% change)
- Page 3** : Table 2 - 2005: Growth in prices and monetary indicators (% change)
- Page 4** : Table 3 - 2005: Growth in other selected variables (% change)
- Page 5** : Table 4 - 2006: Growth in GDP and its components (% change)
- Page 6** : Table 5 - 2006: Growth in prices and monetary indicators (% change)
- Page 7** : Table 6 - 2006: Growth in other selected variables (% change)
- Page 8** : Average of independent forecasts for 2005; GDP growth, CPI & RPIX Inflation and Claimant Unemployment
- Page 9** : Average of independent forecasts for 2005; Current account and PSNB (2005-06, £billion)
- Page 10** : Average of independent forecasts for 2006; GDP growth, CPI & RPIX Inflation and Claimant Unemployment
- Page 11** : Average of independent forecasts for 2006; Current account and PSNB (2006-07, £billion)
- Page 12** : Range of Forecasts for 2005; GDP, CPI and Claimant Unemployment (millions) made in last 3 months
- Page 13** : Range of Forecasts for 2005; Current Account (£bn) and PSNB (2005-06, £bn) made in last 3 months
- Page 14** : Range of Forecasts for 2006; GDP, CPI and Claimant Unemployment (millions) made in last 3 months
- Page 15** : Range of Forecasts for 2006; Current Account (£bn) and PSNB (2006-07, £bn) made in last 3 months
- Page 16** : ANNEX 1: Forecasting institutions referred to in charts and tables
- Page 17** : ANNEX 2: Data Definitions
- Page 18** : ANNEX 3: Notation used in tables
- Page 19** : ANNEX 4: Organisation Contact Details

**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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**The next edition will be published on 17th August 2005. It will also be available on the Treasury's Internet site: <http://www.hm-treasury.gov.uk> under 'Economic Data and Tools'.**

**FORECASTS FOR THE UK ECONOMY**  
**A comparison of independent forecasts, July 2005**

This edition of the comparison contains 23 new forecasts, all of which were received between the 6th and the 14th of July. The tables below summarise the average and range of independent forecasts for 2005 and 2006 and show the average of this month's new forecasts.

Forecasts for 2005	Independent <sup>+</sup>				Average of new* forecasts
	Averages		July		
	July	June	Lowest	Highest	
GDP growth (per cent)	2.2	2.5	1.3	2.9	2.1
Inflation rate (Q4: per cent)					
- CPI	2.0	1.9	1.4	3.1	2.0
- RPI	2.5	2.6	1.8	3.6	2.5
Claimant unemployment (Q4: mn)	0.87	0.85	0.81	1.01	0.87
Current account (£bn)	-25.9	-26.9	-37.1	-19.5	-26.2
PSNB (2005-06: £bn)	37.6	37.0	33.0	43.6	37.3

Forecasts for 2006	Independent <sup>+</sup>				Average of new* forecasts
	Averages		July		
	July	June	Lowest	Highest	
GDP growth (per cent)	2.3	2.4	-0.1	3.1	2.3
Inflation rate (Q4: per cent)					
- CPI	1.9	2.0	1.5	3.3	2.0
- RPI	2.5	2.5	1.0	3.9	2.3
Claimant unemployment (Q4: mn)	0.91	0.89	0.78	1.25	0.90
Current account (£bn)	-27.0	-26.5	-38.0	-15.0	-27.9
PSNB (2006-07: £bn)	37.2	36.4	26.0	48.6	36.5

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (July: 23 institutions, June: 6 institutions, May: 3 institutions)

\*Calculated from new forecasts received for the comparison this month

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

**Table 1 - 2005: Growth in GDP and its components (% change)**

**July 2005 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
<b>City Forecasters</b>										
ABN AMRO	Jul *	2.2	1.5	3.5	2.4 f	-	-	3.3	3.3	-
Bank of America	Jul *	1.8	1.6	1.9	1.9	8.1	1.8	1.9	2.2	-0.2
Barclays Capital	Jul *	2.7	2.0	3.2	3.2	2.2	2.6	3.9	3.6	-0.1
Bridgewell	Jul *	2.0	2.2	2.3	2.3	5.2	2.2	2.4	3.1	-0.3
Capital Economics	Jul *	1.7	1.5	2.0	2.5	5.4	1.7	1.5	1.5	0.0
Citigroup	Jul *	1.9	1.9	2.3	3.5	5.5	2.3	3.4	4.5	-0.4
Credit Suisse First Boston	Apr	2.8	2.5	3.2	5.5	2.7	3.3	5.6	6.9	-0.7
Daiwa Institute of Research	Jul *	2.0	1.9	2.2	2.7	6.3	2.3	2.9	3.8	-
Deutsche Bank	Mar	2.5	2.4	3.2	4.6	0.8	2.9	4.8	6.0	-0.6
Dresdner Kleinwort Wasserstein	Jan	2.2	2.0	3.1	2.6	-	2.4	4.1	4.5	-0.2
Economic Perspectives	Jul *	1.3	1.8	3.2	-0.7	4.5	1.6	-0.4	0.7	-0.3
Fortis Bank	Feb	2.6	2.0	2.9	5.9	-	2.8	6.1	6.1	-0.1
Goldman Sachs	Jul *	2.0	1.8	2.4	1.6	-0.2	1.7	2.8	1.6	0.2
Hermes	May	2.1	1.8	3.5	4.0	2.1	2.6	3.4	4.8	-0.6
HSBC	Jul *	1.9	1.5	2.2	2.1	3.3	2.0	1.4	2.0	-0.2
ING Financial Markets	Jul *	1.7	1.4	2.3	2.7	1.7	2.0	1.9	2.9	-0.4
J P Morgan	Jul *	2.0	1.9	2.5	2.9	5.3	2.2	2.7	3.0	-0.2
Lehman Brothers	Jul *	1.8	1.7	2.2	3.5	3.5	1.9	3.6	3.5	-0.1
Lombard Street	Jul *	2.5	1.8	3.2	4.9	1.5	2.6	2.6	3.0	-0.3
MacroEcon.com	Jul *	2.9	3.2	2.0	2.7	1.0	2.9	3.7	3.7	-
Morgan Stanley	Jun	2.2	1.7	3.2	2.8	2.3	2.3	1.5	1.8	-0.2
RBS Financial Markets	Jul *	2.0	2.0	2.3	2.0	5.5	2.1	1.9	2.3	-0.1
Schroders Investment Management	Feb	2.4	2.3	2.1	3.6	2.0	2.6	3.5	3.5	-0.2
Standard Chartered Bank	May	2.5	1.7	2.9	3.8	1.3	2.4	3.8	3.5	0.1
UBS	Jul *	2.0	1.8	2.3	2.7	8.2	2.3	1.3	2.3	-0.4
WestLB AG	Jul *	2.0	1.7	2.2	2.3	5.0	2.0	2.5	2.4	-0.1
Williams de Broe	Jun	2.6	2.1	3.2	4.1	3.3	2.9	3.7	4.5	-0.5
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Jun	2.5	2.2	3.2	4.8	0.5	2.8	3.4	4.4	-0.5
CBI	Jun	2.5	2.0	3.3	3.8	2.5	2.7	2.8	3.6	-0.4
CEBR	Jun	2.8	2.3	3.0	5.4	2.1	3.2	3.6	4.4	-
Economy.com	Jul *	2.5	2.2	3.3	2.8	2.0	3.1	2.0	2.4	-
Experian Business Strategies	Jul *	2.3	2.0	2.3	3.5	-0.1	1.8	2.9	2.4	0.1
EIU	Jan	2.3	2.2	2.7	2.8	1.2	2.4	3.3	3.5	-0.2
Global Insight	Jul *	1.8	1.7	2.4	2.2	-	2.0	1.4	2.1	-0.2
ITEM Club	Feb	2.6	2.6	3.1	2.7	0.0	2.8	4.6	4.8	-0.3
Liverpool Macro Research	Jul *	2.1	2.0 c	4.1 d	1.2 e	-	-	-	-	-
NIESR	May	2.7	1.9	3.2	5.9	2.5 r	3.0	3.7	4.1	-0.3
OEF	Jul *	2.0	1.8	2.2	2.7	6.4	2.2	3.1	3.8	-0.3
EC	Apr	2.8	2.2	3.4	5.2	0.0	2.9	6.3	6.3	-0.3
OECD	Jun	2.4	1.7	2.9	4.0	0.3 h	2.6	6.5	3.5	-0.3
IMF	Apr	2.6	2.5	3.0	4.9	0.0 h	2.9	4.1	5.1	-0.5
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.2	1.9	2.7	3.1	3.4	2.3	2.6	3.1	-0.2
New (marked *)		2.1	1.8	2.4	2.8	4.0	2.1	2.6	2.8	-0.2
City		2.1	1.8	2.6	2.8	3.8	2.2	2.5	2.9	-0.2
<b>Range of Forecasts made in the last 3 months</b>										
Highest		2.9	3.2	3.5	5.9	8.2	3.2	3.9	4.8	0.2
Lowest		1.3	1.4	1.9	-0.7	-0.2	1.6	-0.4	0.7	-0.6
Median		2.1	1.8	2.5	2.8	2.9	2.3	2.8	3.2	-0.2
HM Treasury	Mar	3 to 3½	2¼ to 2¾	3¼	6 to 6¼	1.9 to 2.6	3¼ to 3½	6 to 6½	6 to 6½	-¼

**Table 2 - 2005: Growth in prices and monetary indicators (% change)**

July 2005 Comparison

Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>									
ABN AMRO	Jul *	2.0	-	1.8	5.0 gg	-	4.75	-	-
Bank of America	Jul *	1.8	-	2.1	4.2	-	4.25	51.0	-
Barclays Capital	Jul *	2.2	2.3	2.1	0.0	99.8	4.75	-	-
Bridgewell	Jul *	2.3	3.0	2.6	4.9	102.7	5.00	-	12.9
Capital Economics	Jul *	1.8	2.6	1.8	4.4	100.3	4.00	44.9	9.0
Citigroup	Jul *	2.4	2.2	2.3	4.2	101.5	4.10	52.6	-
Credit Suisse First Boston	Apr	1.8	2.3	1.7	-	-	5.00	-	-
Daiwa Institute of Research	Jul *	1.8	2.2	2.2	4.4	103.9	4.25	54.3	-
Deutsche Bank	Mar	1.8	2.0	-	4.3	100.2	4.25	-	7.1
Dresdner Kleinwort Wasserstein	Jan	1.7	1.7	1.8	-	-	4.00	-	-
Economic Perspectives	Jul *	1.7	2.2	1.8	3.9	97.0	4.50	48.0	9.0
Fortis Bank	Feb	1.5	-	-	4.5	99.0	5.00	-	-
Goldman Sachs	Jul *	2.2	-	2.3	4.7	99.0 j	4.30 js	46.7	9.2 j
Hermes	May	1.8	2.5	2.3	4.5	97.0	4.75	-	-
HSBC	Jul *	1.8	2.8	2.2	4.7	103.5	4.50	46.5	-
ING Financial Markets	Jul *	1.9	-	1.9	4.4	-	4.25	54.0	-
J P Morgan	Jul *	1.9	-	2.4	-	-	4.50	-	-
Lehman Brothers	Jul *	1.8	1.8	1.7	4.5	98.0	4.25	-	-
Lombard Street	Jul *	2.1	3.0	2.4	4.6	103.0	4.75	48.0	9.2
MacroEcon.com	Jul *	3.1	3.6	3.4	-	103.3	4.50	52.0	9.5
Morgan Stanley	Jun	2.0	2.3	2.1	4.8	100.1 j	4.75 j	-	-
RBS Financial Markets	Jul *	2.0	2.2	2.3	4.4	100.3 j	4.50 j	48.8	-
Schroders Investment Management	Feb	1.8	2.5	2.5	4.8	-	4.50	40.0	-
Standard Chartered Bank	May	1.8	-	-	4.5	-	4.75	-	-
UBS	Jul *	2.2	2.7	2.2	4.5	98.1	4.75	32.0	5.0
WestLB AG	Jul *	2.1	2.0	2.3	4.2	-	4.25	50.0	10.0
Williams de Broe	Jun	1.6	1.8	1.7	4.6	103.8	4.60	51.0	10.5
<b>Non-City Forecasters</b>									
Cambridge Econometrics	Jun	-	3.1 k	2.3 k	4.6 n	101.7 k	4.80 ks	47.3	-
CBI	Jun	2.2	2.4	1.7	4.6	103.4	4.75	47.4	-
CEBR	Jun	1.4	3.4	2.4	4.7	103.7	4.83	49.0	6.5
Economy.com	Jul *	2.0	3.4	2.6	4.8	-	4.50	50.3	8.0
Experian Business Strategies	Jul *	2.0	2.8	2.4	4.6	98.2	4.75	48.7	-
EIU	Jan	1.5	-	-	4.4	101.1	4.50	36.8	6.5
Global Insight	Jul *	1.9	2.1	2.2	4.5	-	4.40	51.8	9.9
ITEM Club	Feb	1.9	2.6	2.5	4.6	99.0	4.80	39.0	8.3
Liverpool Macro Research	Jul *	-	-	2.1	3.8	104.5	4.30	-	-
NIESR	May	1.9	2.9 k	2.1 k	4.8 r	101.8	5.14 s	47.5 v	-
OEF	Jul *	1.6	2.0	2.0	4.5	103.9	4.33	54.3	10.0
EC	Apr	1.8	3.4	2.8	4.7 r	-	-	50.9	-
OECD	Jun	-	-	-	5.2 r	-	4.81 ks	-	-
IMF	Apr	1.5	-	-	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		2.0	2.5	2.2	4.3	101.4	4.49	49.0	8.8
New (marked *)		2.0	2.5	2.2	4.1	101.5	4.42	49.0	8.9
City		2.0	2.4	2.2	4.2	100.8	4.47	48.6	8.9
<b>Range of Forecasts made in the last 3 months</b>									
Highest		3.1	3.6	3.4	4.8	104.5	4.83	54.3	10.5
Lowest		1.4	1.8	1.7	0.0	97.0	4.00	32.0	5.0
Median		1.9	2.3	2.2	4.5	102.4	4.50	49.0	9.2
HM Treasury	Mar	1%	-	-	-	-	-	-	-

**5: Growth in other selected variables (% change)**

**July 2005 Comparison**

		real Household Disposable Income	Employment Growth	Claimant Unemployment	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2005-06)
<b>Forecasters &amp; dates of forecasts</b>								
<b>City Forecasters</b>								
ABN AMRO	Jul *	2.2	-	1.48 a	-	-	-	43.6
Bank of America	Jul *	-	-	-	-0.9	7.2	-21.4	39.7
Barclays Capital	Jul *	3.3	1.0	0.84	-0.2	-	-29.2	37.0 cc
Bridgewell	Jul *	2.1	0.8	0.84	0.5	-	-21.4	37.5
Capital Economics	Jul *	2.0	0.6	-	-0.5	6.0	-22.0	34.0
Citigroup	Jul *	1.7	0.7	0.91	-1.0	-	-30.1	39.5
Credit Suisse First Boston	Apr	-	-	-	-	-	-28.0	33.0
Daiwa Institute of Research	Jul *	2.7	0.6	0.88	-	6.4	-25.9	40.0
Deutsche Bank	Mar	-	-	0.83	1.4	-	-28.0	35.0
Dresdner Kleinwort Wasserstein	Jan	-	-	0.84	-	-	-31.5	-
Economic Perspectives	Jul *	1.0	-0.2	1.01	0.4	5.0	-20.0	43.0
Fortis Bank	Feb	3.1	0.9	0.77	1.0	-	-27.0	35.0
Goldman Sachs	Jul *	-	0.7	1.49 a	-0.3	-	-19.5	40.8
Hermes	May	-	0.0	0.90	-	-	-20.0	-
HSBC	Jul *	-	-	0.89	0.7	-	-30.0	38.0
ING Financial Markets	Jul *	-	-	-	0.3	-	-29.0	38.0
J P Morgan	Jul *	-	-	-	-	-	-33.0	34.0
Lehman Brothers	Jul *	2.7	0.7	0.91	-1.2	-	-29.8	36.0
Lombard Street	Jul *	2.4	0.7	0.86	-	-	-23.8	36.0 cc
MacroEcon.com	Jul *	-	0.2	0.84	-	8.0	-24.0	-
Morgan Stanley	Jun	3.0	0.5	-	0.2	-	-	39.1
RBS Financial Markets	Jul *	2.6	0.5	0.88	-0.7	5.4	-25.8	34.5
Schroders Investment Management	Feb	-	-	0.95	2.0	-	-28.6	40.0
Standard Chartered Bank	May	-	-	-	-	-	-26.0	36.0
UBS	Jul *	2.9	0.2	0.81	0.1	-	-25.0	34.0
WestLB AG	Jul *	-	0.6	-	-1.1	-	-30.9	-
Williams de Broe	Jun	-	0.4	0.86	-0.1	9.1	-26.0	35.1
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Jun	2.4	0.4	0.90 k	1.0	3.0 hh	-37.1	38.4 kcc
CBI	Jun	2.5	0.4	0.85	0.4	1.9	-21.6	37.9
CEBR	Jun	2.7	0.3	0.81	1.9	-	-32.1	43.1
Economy.com	Jul *	1.5	0.4	0.84	-0.6	-	-19.8	-
Experian Business Strategies	Jul *	2.4	0.7	0.87	-0.8	5.2	-21.4	33.5
EIU	Jan	2.5	0.3	0.85	1.2	6.9	-29.2	-
Global Insight	Jul *	2.6	0.7	0.87	-0.2	-	-26.5	38.0
ITEM Club	Feb	3.2	0.4	0.80	0.8	7.5	-30.6	38.0
Liverpool Macro Research	Jul *	-	-	0.85	-	-	-29.8	40.2 cc
NIESR	May	2.0	0.1	0.87 k	2.0	7.7 w	-24.3	33.0
OEF	Jul *	2.6	0.6	0.86	-1.0	6.3	-25.7	35.9
EC	Apr	-	0.4	1.42 ak	-	-	-	3.0 eeg
OECD	Jun	-	0.4	4.93 aak	-	-	-2.3 g	-2.9 eeg
IMF	Apr	-	0.6	4.60 aa	-	7.4 w	-2.5 g	-3.1 eeg
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.4	0.5	0.87	-0.1	6.1	-25.9	37.6
New (marked *)		2.5	0.6	0.87	-0.5	6.4	-26.2	37.3
City		2.4	0.5	0.88	-0.3	6.7	-25.6	37.8
<b>Range of Forecasts made in the last 3 months</b>								
Highest		3.3	1.0	1.01	2.0	9.1	-19.5	43.6
Lowest		1.0	-0.2	0.81	-1.2	1.9	-37.1	33.0
Median		2.5	0.5	0.86	-0.2	6.2	-25.8	37.9
HM Treasury	Mar	2¼ to 2½	-	-	1½ to 2	8¼ w	-34½	32

**Table 4 - 2006: Growth in GDP and its components (% change)**

**July 2005 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
<b>City Forecasters</b>										
ABN AMRO	Jul *	1.7	1.5	3.5	1.1 f	-	-	5.1	4.8	-
Bank of America	Jul *	1.9	1.4	1.7	2.2	7.7	1.7	3.6	2.3	0.3
Barclays Capital	Jul *	2.7	2.4	3.0	5.1	1.7	3.0	5.7	6.4	-0.5
Bridgewell	Jul *	2.7	2.9	2.8	2.9	5.3	2.9	4.7	4.9	-0.2
Capital Economics	Jul *	2.0	1.5	2.5	2.5	0.6	1.5	3.0	1.2	0.5
Citigroup	Jul *	2.4	2.4	3.1	3.9	4.4	2.7	6.2	6.6	-0.3
Credit Suisse First Boston	Apr	2.5	2.5	2.6	4.3	2.4	2.8	4.8	5.5	-0.5
Daiwa Institute of Research	Jul *	2.5	2.6	2.7	3.5	4.0	2.5	5.9	5.7	-
Deutsche Bank	Mar	2.0	2.4	2.7	3.4	1.2	2.7	2.6	4.7	-0.8
Dresdner Kleinwort Wasserstein	Jan	-	-	-	-	-	-	-	-	-
Economic Perspectives	Jul *	-0.1	0.6	3.7	-3.2	-2.0	0.1	-0.5	0.2	-0.2
Fortis Bank	Feb	2.5	1.5	3.0	3.2	-	2.1	7.1	5.0	0.4
Goldman Sachs	Jul *	2.5	1.9	3.3	1.4	0.0	2.1	4.2	2.6	0.3
Hermes	May	2.6	2.2	2.1	3.3	0.5	2.2	3.5	2.3	0.2
HSBC	Jul *	1.7	1.2	2.4	2.2	2.7	1.6	1.9	1.5	0.0
ING Financial Markets	Jul *	1.6	1.2	2.9	3.3	0.5	1.8	5.1	5.2	-0.2
J P Morgan	Jul *	2.4	2.1	3.2	3.5	3.8	2.4	5.8	5.0	0.0
Lehman Brothers	Jul *	1.7	1.3	2.7	2.9	1.1	1.6	3.8	3.2	0.0
Lombard Street	Jul *	2.5	1.9	3.0	4.2	0.5	2.4	2.2	2.0	0.0
MacroEcon.com	Jul *	3.0	3.4	1.8	2.8	1.5	2.9	3.5	3.5	-
Morgan Stanley	Jun	2.5	2.1	3.0	2.5	1.3	2.3	3.8	2.9	0.1
RBS Financial Markets	Jul *	2.6	2.8	3.1	2.5	4.0	2.6	4.2	4.2	-0.1
Schroders Investment Management	Feb	2.0	2.0	1.7	3.5	1.5	-	3.0	2.5	0.0
Standard Chartered Bank	May	2.4	1.5	2.6	4.2	1.5	2.2	3.8	2.8	0.1
UBS	Jul *	2.6	2.5	2.7	4.1	8.5	2.7	2.9	3.3	-0.2
WestLB AG	Jul *	2.2	1.9	2.8	2.4	2.8	2.2	4.2	3.1	0.2
Williams de Broe	Jun	3.1	3.1	2.8	5.9	5.3	3.7	7.5	8.8	-0.9
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Jun	2.2	2.1	3.1	2.8	0.5	2.4	6.1	4.0	-0.3
CBI	Jun	2.3	2.2	3.0	3.1	2.5	2.5	3.1	3.5	-0.3
CEBR	Jun	2.5	2.2	2.5	3.4	3.2	2.6	3.4	3.5	-
Economy.com	Jul *	2.1	2.6	3.2	2.9	1.6	2.6	4.1	5.7	-
Experian Business Strategies	Jul *	2.8	2.1	2.4	3.4	2.5	2.6	6.2	5.1	0.1
EIU	Jan	-	-	-	-	-	-	-	-	-
Global Insight	Jul *	2.2	1.9	3.0	2.6	-	2.3	3.9	3.8	-0.1
ITEM Club	Feb	2.4	2.1	2.6	3.4	0.0	2.5	6.3	5.9	-0.2
Liverpool Macro Research	Jul *	1.9	1.6 c	5.2 d	1.0 e	-	-	-	-	-
NIESR	May	2.7	1.9	3.0	4.3	3.0 r	2.6	3.3	3.0	0.0
OEF	Jul *	2.4	2.6	2.7	3.6	4.0	2.6	5.6	5.8	-0.3
EC	Apr	2.8	2.3	3.2	4.2	0.0	2.8	5.3	4.9	-0.1
OECD	Jun	2.4	1.9	2.8	4.4	0.0 h	2.4	7.7	6.9	-0.1
IMF	Apr	2.6	2.3	3.0	4.0	0.0 h	2.7	4.9	5.0	-0.3
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.3	2.0	2.8	3.1	2.5	2.3	4.2	4.0	-0.1
New (marked *)		2.3	2.0	2.8	3.1	3.0	2.3	4.4	4.0	0.0
City		2.2	2.0	2.8	3.0	2.5	2.2	4.1	3.7	0.0
<b>Range of Forecasts made in the last 3 months</b>										
Highest		3.1	3.4	3.7	5.9	8.5	3.7	7.7	8.8	0.5
Lowest		-0.1	0.6	1.7	-3.2	-2.0	0.1	-0.5	0.2	-0.9
Median		2.4	2.1	2.9	3.3	2.1	2.4	3.9	3.5	0.0
HM Treasury	Mar	2½ to 3	2 to 2½	3	4 to 4½	1.3 to 3.1	2½ to 3	6¼ to 6¾	5½ to 6	0

**Table 5 - 2006: Growth in prices and monetary indicators (% change)**

July 2005 Comparison

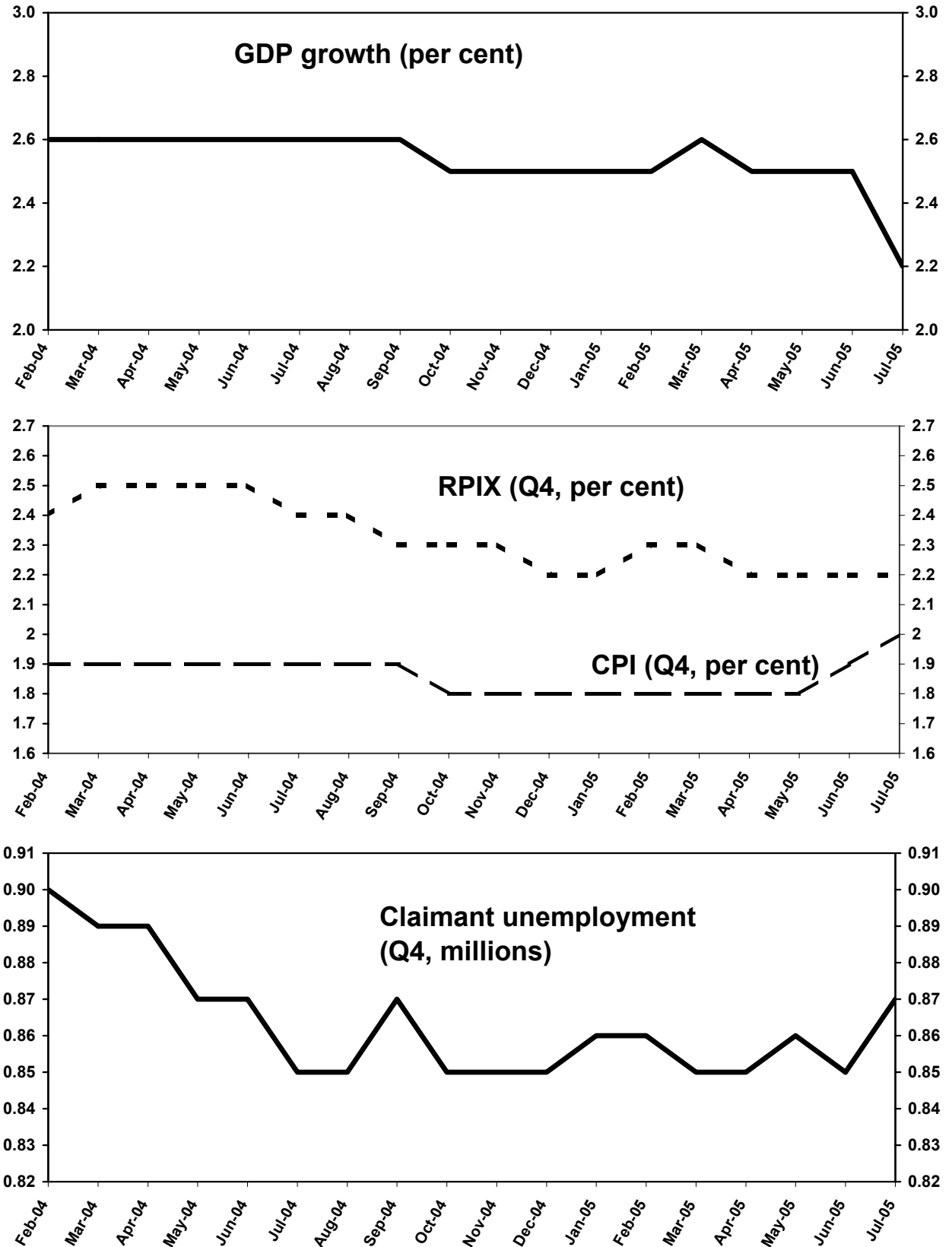
Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>									
ABN AMRO	Jul *	1.7	-	1.5	3.9 gg	-	4.25	-	-
Bank of America	Jul *	1.6	-	1.8	3.9	-	3.75	45.0	-
Barclays Capital	Jul *	1.9	2.5	2.3	0.0	96.9	4.75	-	-
Bridgewell	Jul *	2.9	3.5	3.4	5.0	102.7	5.50	-	12.4
Capital Economics	Jul *	1.5	1.0	1.2	4.0	94.9	3.50	37.5	6.5
Citigroup	Jul *	2.3	3.2	2.8	4.1	100.9	4.40	52.8	-
Credit Suisse First Boston	Apr	2.0	2.0	2.2	-	-	4.50	-	-
Daiwa Institute of Research	Jul *	2.0	2.7	2.4	4.3	102.0	4.50	52.0	-
Deutsche Bank	Mar	1.6	2.2	-	4.2	100.2	4.00	-	6.4
Dresdner Kleinwort Wasserstein	Jan	-	-	-	-	-	-	-	-
Economic Perspectives	Jul *	1.7	1.8	1.6	3.6	90.0	4.00	42.0	7.5
Fortis Bank	Feb	2.1	-	-	4.5	91.0	5.00	-	-
Goldman Sachs	Jul *	2.0	-	2.0	4.5	99.0 j	4.60 js	45.5	8.3 j
Hermes	May	1.8	2.5	2.3	4.5	93.0	4.75	-	-
HSBC	Jul *	1.9	2.0	2.2	4.0	95.0	3.50	43.0	-
ING Financial Markets	Jul *	1.8	-	1.9	4.2	-	4.00	57.0	-
J P Morgan	Jul *	1.9	-	-	-	-	4.75	-	-
Lehman Brothers	Jul *	1.8	1.2	1.8	4.5	92.0	3.25	-	-
Lombard Street	Jul *	1.9	2.4	2.2	4.9	101.0	4.50	42.0	7.1
MacroEcon.com	Jul *	3.3	3.9	3.7	-	103.2	4.80	47.0	10.4
Morgan Stanley	Jun	2.0	2.9	2.5	4.0	101.5 j	5.00 j	-	-
RBS Financial Markets	Jul *	2.0	2.5	2.6	4.5	100.3 j	4.25 j	45.0	-
Schroders Investment Management	Feb	1.6	2.1	2.1	4.3	-	4.00	40.0	-
Standard Chartered Bank	May	1.7	-	-	4.2	-	4.00	-	-
UBS	Jul *	2.3	2.8	2.5	4.7	95.2	5.00	28.0	5.0
WestLB AG	Jul *	1.8	2.1	2.2	4.0	-	3.75	50.0	9.0
Williams de Broe	Jun	1.9	2.6	2.5	4.5	99.5	5.20	52.5	8.0
<b>Non-City Forecasters</b>									
Cambridge Econometrics	Jun	-	2.6 k	2.2 k	4.3 n	98.7 k	4.50 ks	49.4	-
CBI	Jun	1.9	2.7	2.0	4.5	103.8	4.75	41.9	-
CEBR	Jun	1.5	3.0	2.2	4.7	103.9	4.85	42.7	5.5
Economy.com	Jul *	1.9	3.5	3.1	5.1	-	4.25	42.7	8.1
Experian Business Strategies	Jul *	2.0	2.6	2.5	4.7	98.0	4.50	42.7	-
EIU	Jan	-	-	-	-	-	-	-	-
Global Insight	Jul *	1.7	1.6	2.1	4.4	-	4.00	49.1	6.7
ITEM Club	Feb	2.0	2.9	2.7	4.8	96.2	4.80	35.0	8.0
Liverpool Macro Research	Jul *	-	-	2.0	4.5	103.5	4.50	-	-
NIESR	May	2.0	3.3 k	2.6 k	5.1 r	99.7	5.25 s	47.6 v	-
OEF	Jul *	1.8	2.4	2.2	4.3	104.6	4.25	51.6	5.1
EC	Apr	2.1	3.4	2.6	5.1 r	-	-	48.0	-
OECD	Jun	-	-	-	4.7 r	-	4.80 ks	-	-
IMF	Apr	1.8	-	-	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		1.9	2.5	2.2	4.2	98.7	4.31	45.7	7.2
New (marked *)		2.0	2.3	2.2	4.1	98.9	4.22	45.9	7.1
City		1.9	2.4	2.2	4.0	97.0	4.26	45.7	7.6
<b>Range of Forecasts made in the last 3 months</b>									
Highest		3.3	3.9	3.7	5.1	104.6	5.20	57.0	10.4
Lowest		1.5	1.0	1.2	0.0	90.0	3.25	28.0	5.0
Median		1.9	2.5	2.2	4.4	99.6	4.40	45.0	7.1
HM Treasury	Mar	2	-	-	-	-	-	-	-

**16: Growth in other selected variables (% change)**

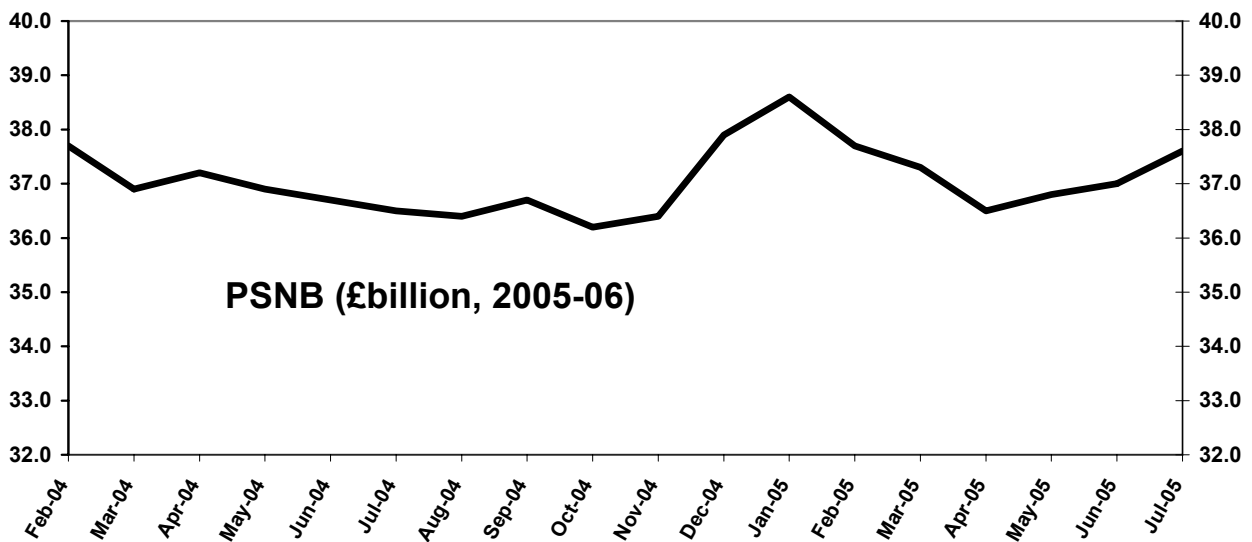
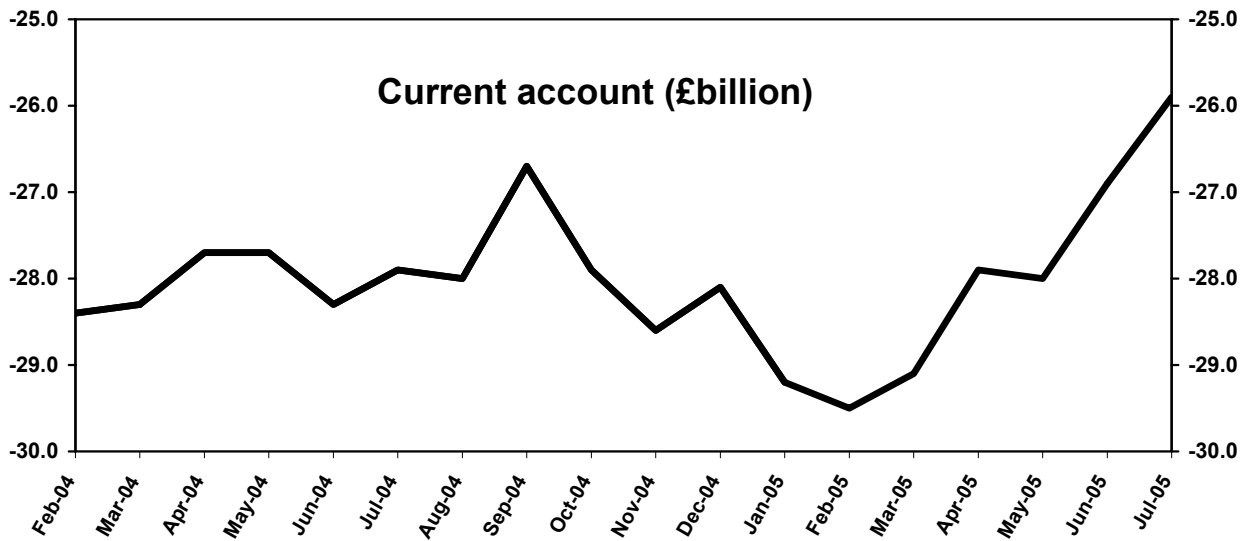
July 2005 Comparison

		Real Household Disposable Income	Employment Growth	Claimant Unemployment (Q4,millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2006-07)
<b>Forecasters &amp; dates of forecasts</b>								
<b>City Forecasters</b>								
ABN AMRO	Jul *	2.1	-	1.69 a	-	-	-	48.6
Bank of America	Jul *	-	-	-	1.1	7.0	-17.2	43.5
Barclays Capital	Jul *	2.1	0.8	0.78	2.6	-	-30.9	37.0 cc
Bridgewell	Jul *	2.1	0.8	0.84	2.4	-	-24.5	39.4
Capital Economics	Jul *	1.1	0.0	-	2.0	7.5	-18.0	27.0
Citigroup	Jul *	2.6	0.5	0.91	0.6	-	-36.4	43.3
Credit Suisse First Boston	Apr	-	-	-	-	-	-30.0	33.0
Daiwa Institute of Research	Jul *	2.4	0.3	0.88	-	7.2	-31.2	36.8
Deutsche Bank	Mar	-	-	0.95	0.0	-	-35.0	-
Dresdner Kleinwort Wasserstein	Jan	-	-	-	-	-	-	-
Economic Perspectives	Jul *	0.8	-0.7	1.25	0.4	3.0	-15.0	47.0
Fortis Bank	Feb	2.5	0.7	0.77	2.4	-	-27.0	-
Goldman Sachs	Jul *	-	0.2	1.75 a	1.5	-	-15.7	42.2
Hermes	May	-	0.0	0.94	-	-	-18.0	-
HSBC	Jul *	-	-	1.12	0.9	-	-38.0	42.0
ING Financial Markets	Jul *	-	-	-	1.1	-	-30.0	41.0
J P Morgan	Jul *	-	-	-	-	-	-33.0	30.0
Lehman Brothers	Jul *	1.6	-0.1	1.02	0.9	-	-30.0	26.0
Lombard Street	Jul *	2.6	0.5	0.88	-	-	-19.5	30.0 cc
MacroEcon.com	Jul *	-	0.2	0.93	-	10.0	-23.0	-
Morgan Stanley	Jun	2.2	0.7	-	2.0	-	-	38.7
RBS Financial Markets	Jul *	2.7	0.5	0.83	0.6	4.4	-28.1	34.0
Schroders Investment Management	Feb	-	-	1.00	1.7	-	-26.0	-
Standard Chartered Bank	May	-	-	-	-	-	-22.0	35.0
UBS	Jul *	3.2	0.2	0.81	2.0	-	-27.9	30.0
WestLB AG	Jul *	-	0.6	-	0.9	-	-31.1	-
Williams de Broe	Jun	-	0.2	0.90	1.3	9.3	-35.4	37.1
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Jun	2.2	0.4	1.00 k	0.8	3.0 hh	-33.0	36.9 kcc
CBI	Jun	2.6	0.4	0.84	1.5	4.1	-22.8	38.1
CEBR	Jun	2.7	0.2	0.83	1.0	-	-31.1	38.5
Economy.com	Jul *	0.8	1.0	0.83	1.8	-	-19.2	-
Experian Business Strategies	Jul *	2.5	0.7	0.83	1.9	4.0	-29.4	29.2
EIU	Jan	-	-	-	-	-	-	-
Global Insight	Jul *	2.3	-0.2	0.89	1.6	-	-27.3	35.5
ITEM Club	Feb	2.0	0.2	0.78	2.2	7.0	-30.1	38.0
Liverpool Macro Research	Jul *	-	-	0.92	-	-	-35.3	43.3 cc
NIESR	May	2.7	0.2	0.90 k	2.2	5.3 w	-27.3	37.8
OEF	Jul *	2.6	0.2	0.87	0.6	7.0	-31.6	34.7
EC	Apr	-	0.5	1.43 ak	-	-	-	2.7 eeg
OECD	Jun	-	0.2	4.68 aak	-	-	-2.4 g	-3.1 eeg
IMF	Apr	-	0.5	4.60 aa	-	7.6 w	-2.5 g	-2.4 eeg
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.2	0.3	0.91	1.3	6.4	-27.0	37.2
New (marked *)		2.3	0.3	0.90	1.3	6.7	-27.9	36.5
City		2.1	0.3	0.94	1.3	6.9	-26.2	37.7
<b>Range of Forecasts made in the last 3 months</b>								
Highest		3.2	1.0	1.25	2.6	10.0	-15.0	48.6
Lowest		0.8	-0.7	0.78	0.4	3.0	-38.0	26.0
Median		2.4	0.2	0.88	1.2	7.0	-28.1	37.8
HM Treasury	Mar	1½ to 2¼	-	-	1½ to 2¼	7¼ w	-35¼	29

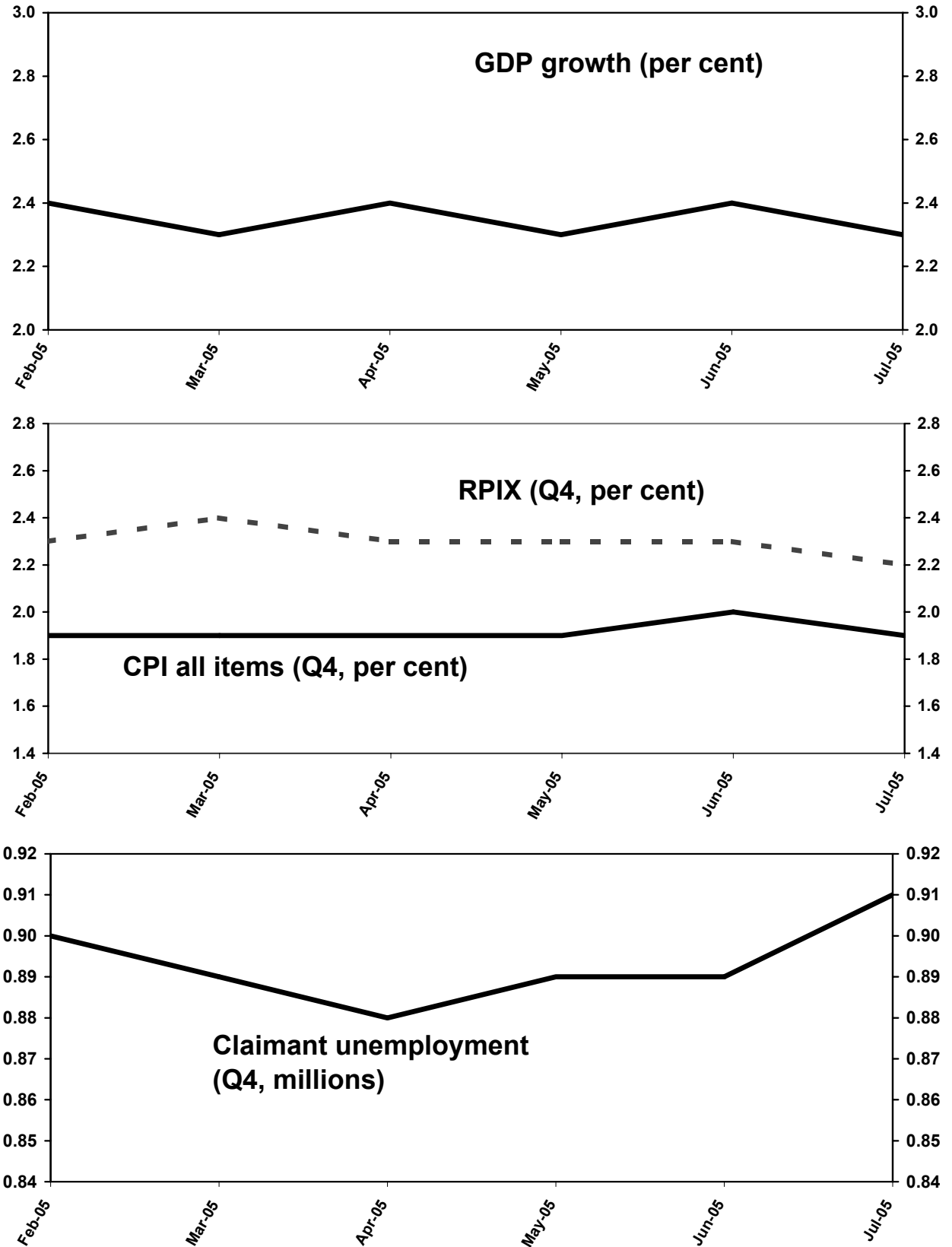
## Average of independent forecasts for 2005; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



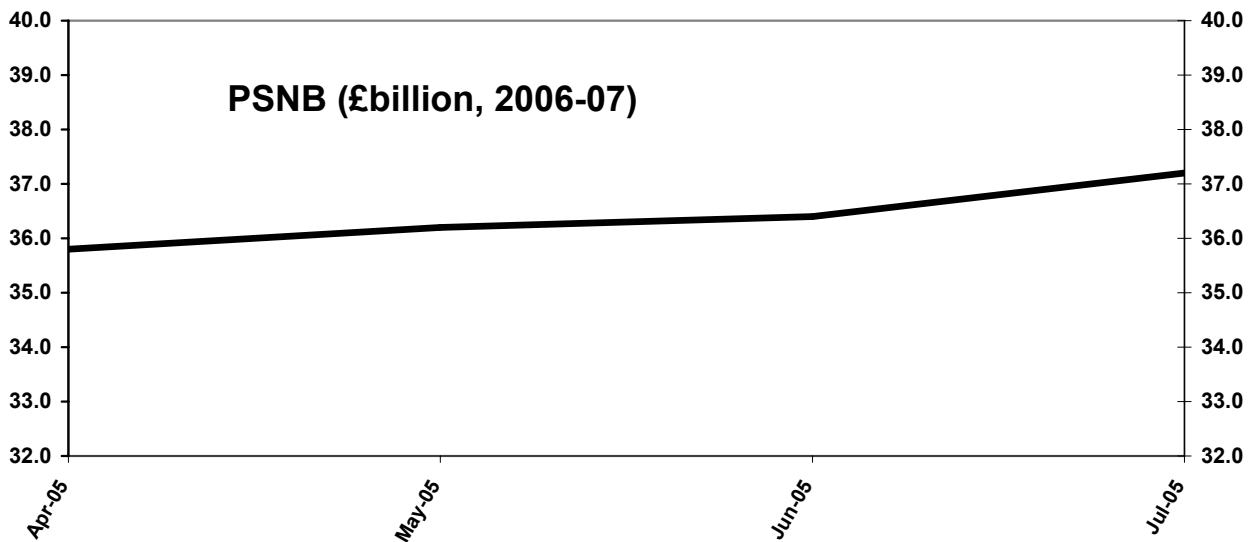
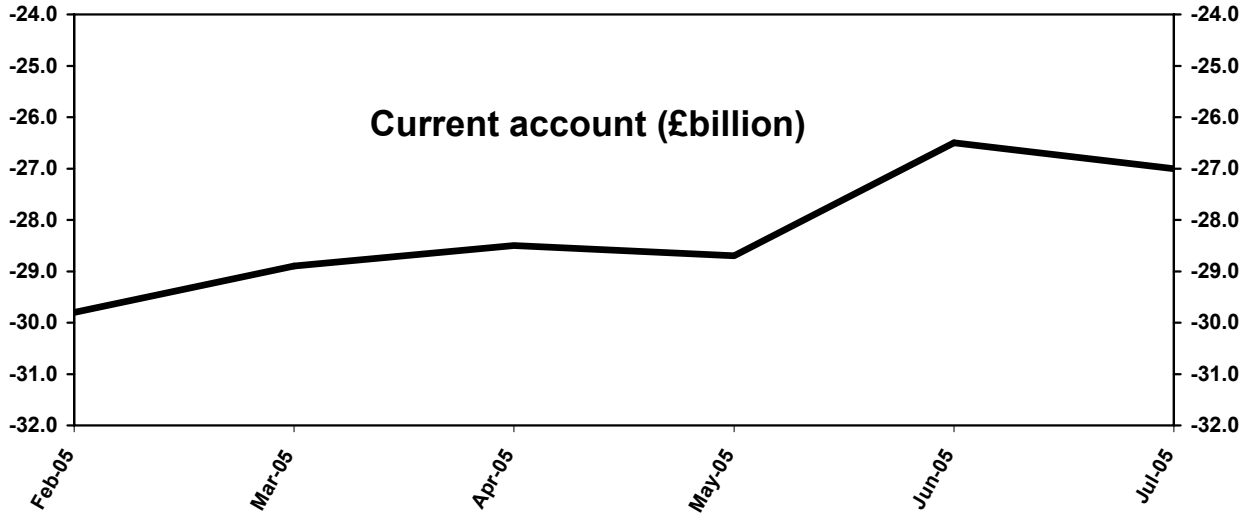
## Average of independent forecasts for 2005; Current account and PSNB (2005-06, £billion)



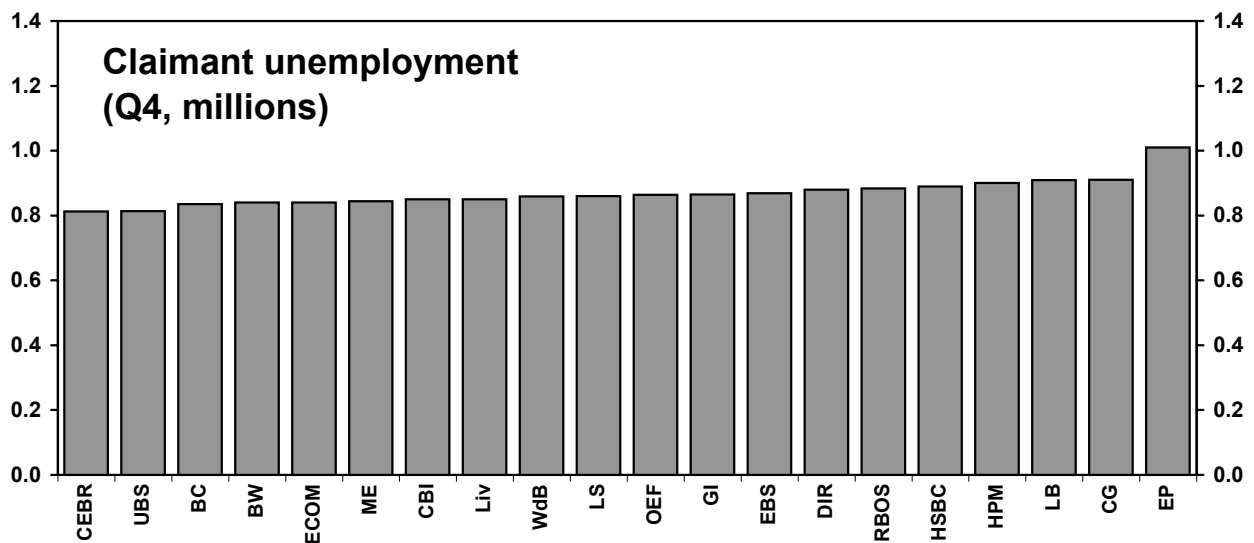
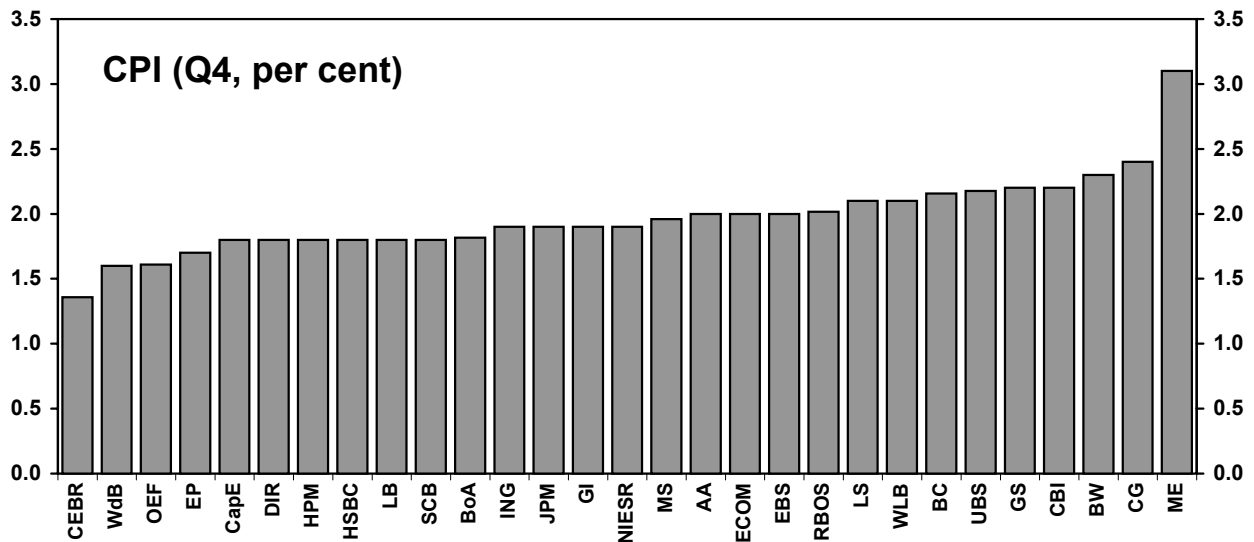
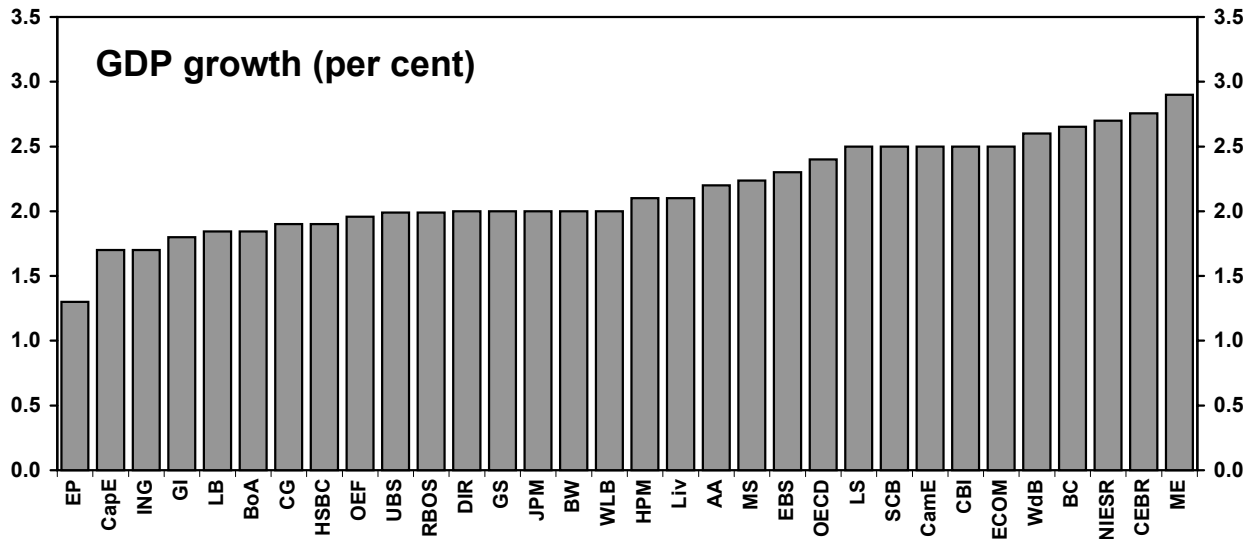
## Average of independent forecasts for 2006; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



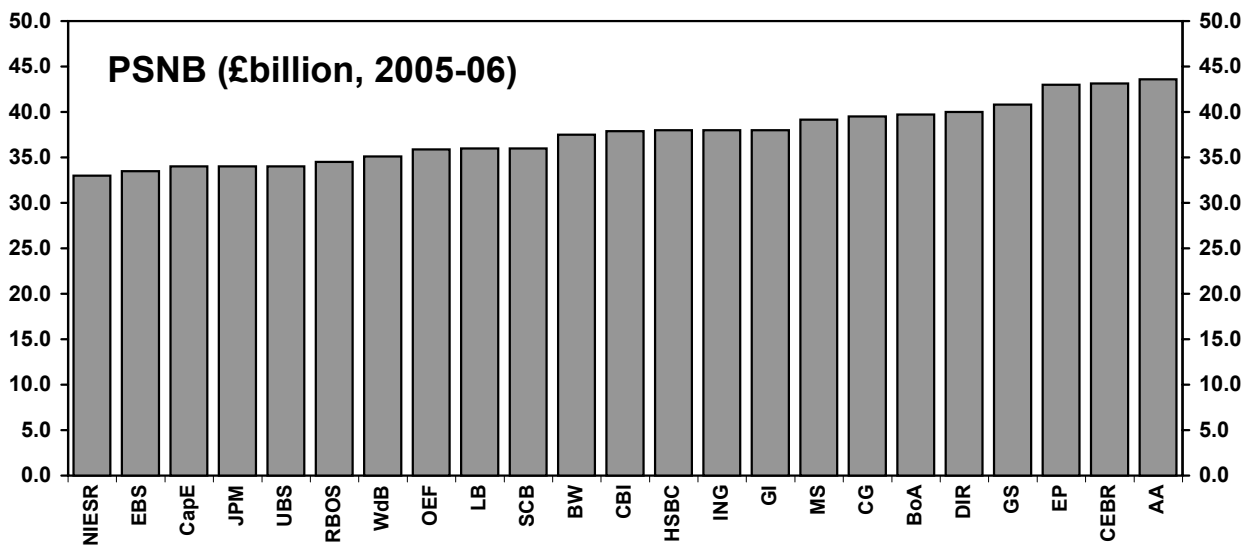
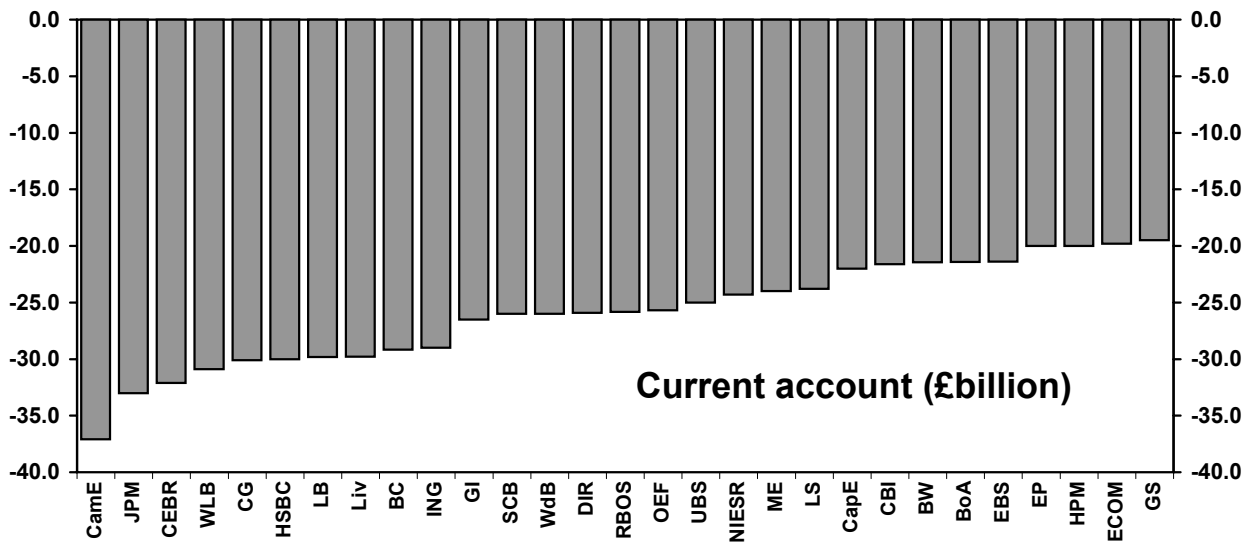
## Average of independent forecasts for 2006; Current account and PSNB (2006-07, £billion)



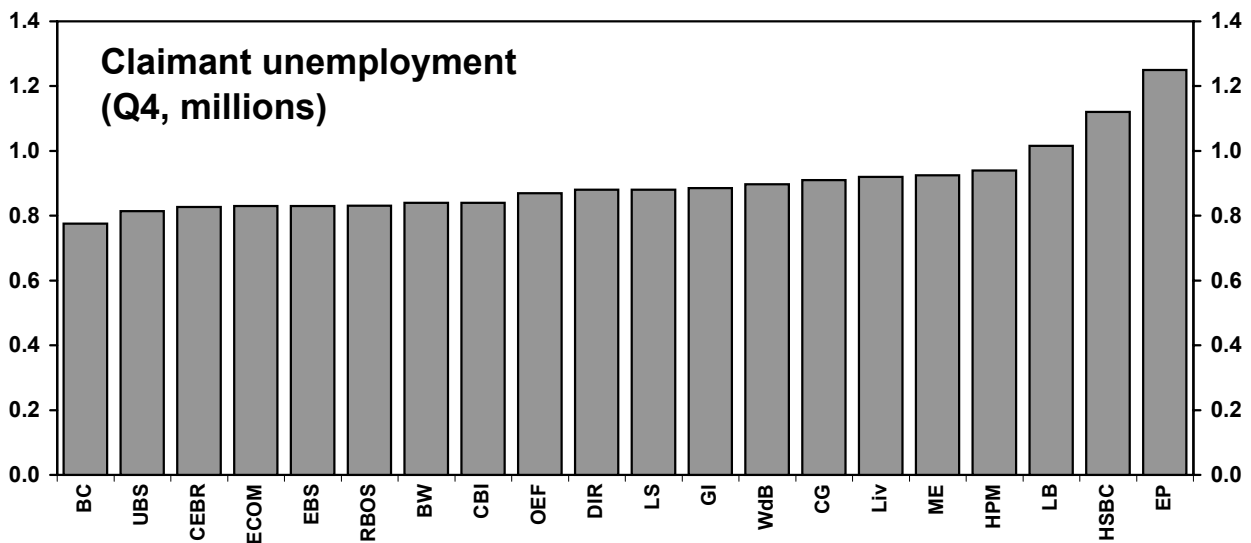
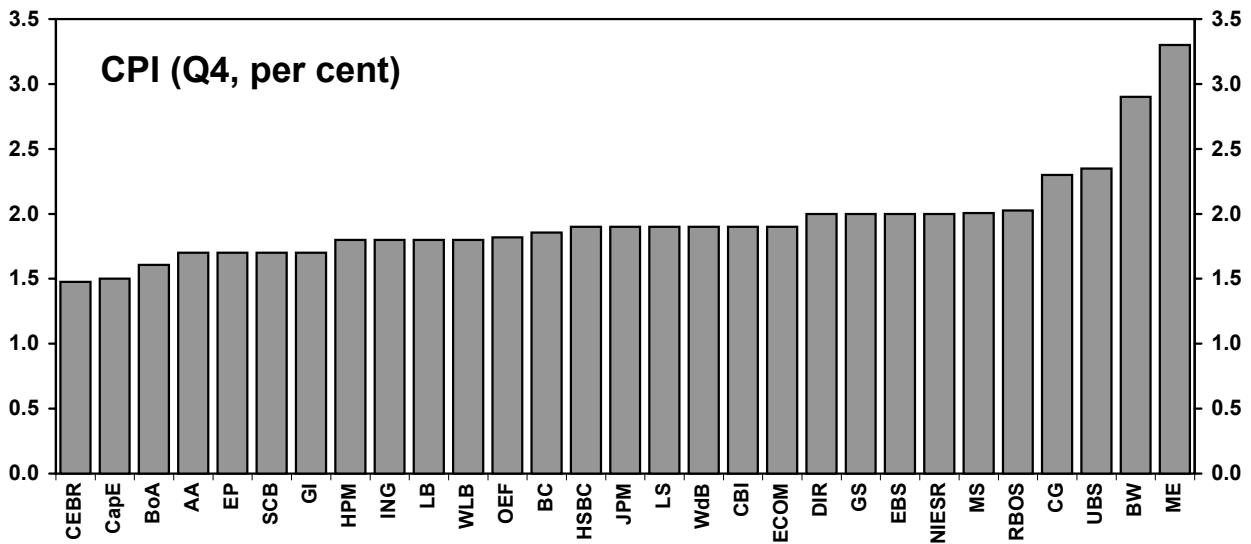
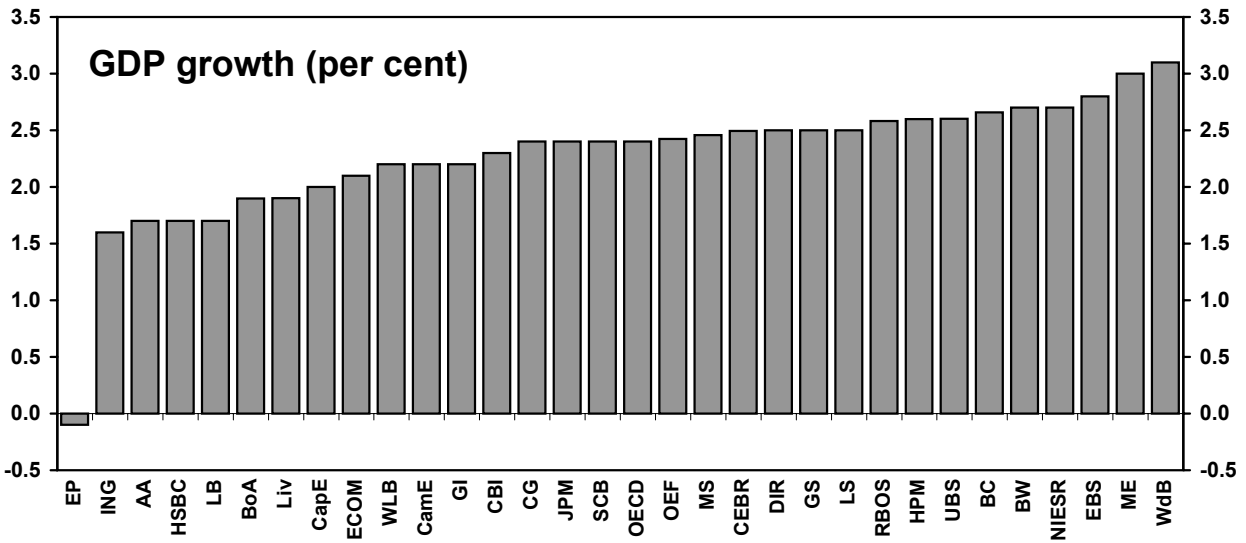
## Range of Forecasts for 2005; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



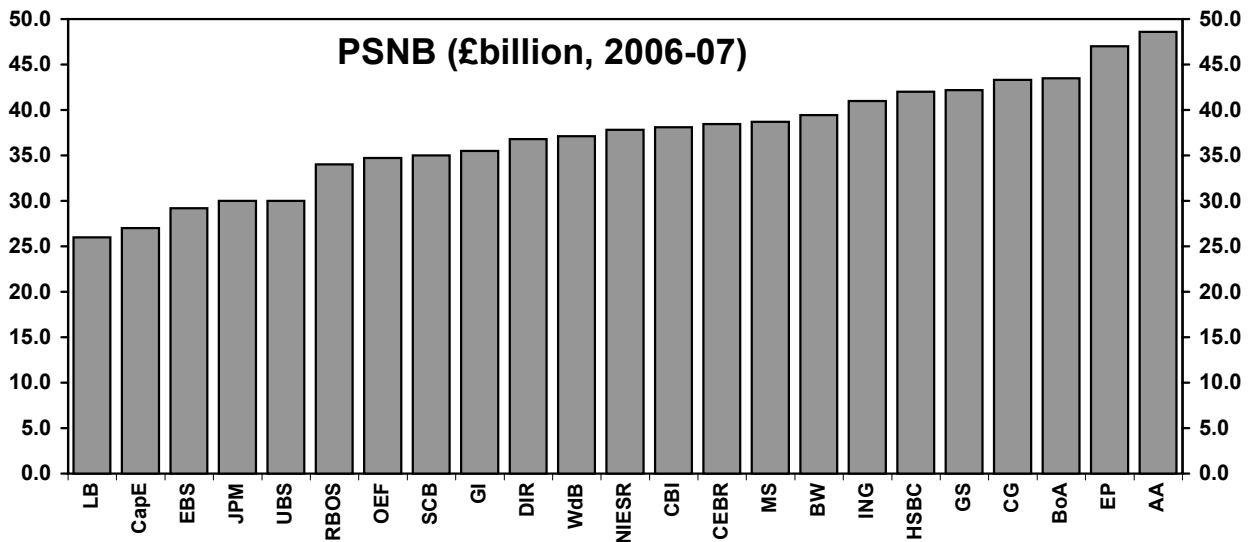
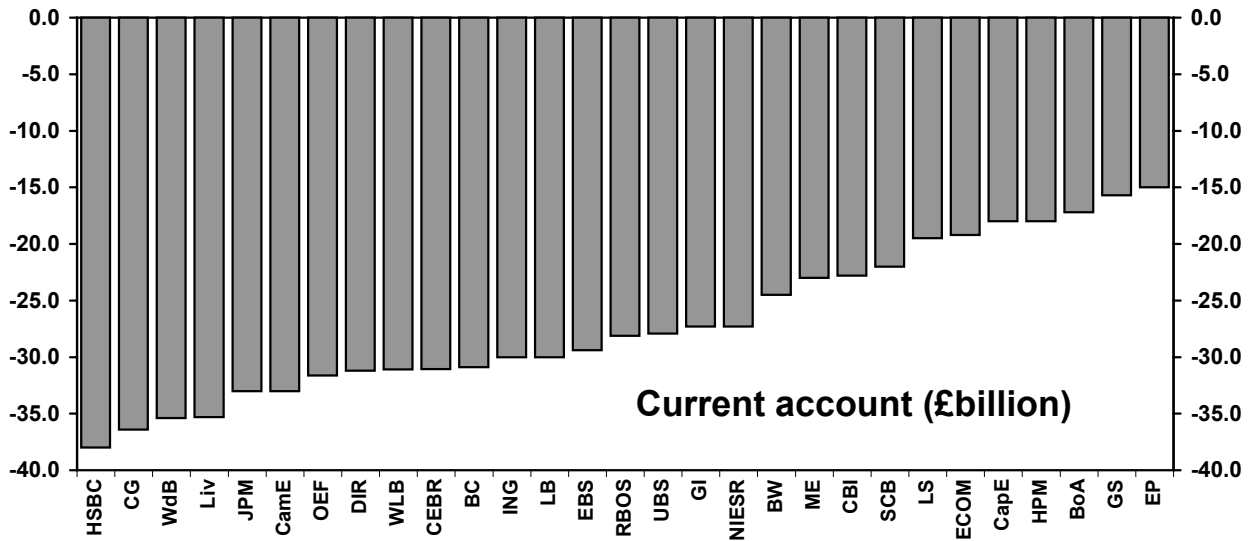
## Range of Forecasts for 2005; Current Account (£bn) and PSNB (2005-06, £bn) made in last 3 months



## 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



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

AA:	ABN AMRO
BoA:	Bank of America
BW:	Bridgewell
BZW:	Barclays Capital
CamE:	Cambridge Econometrics
CapE:	Capital Economics Ltd
CG:	Citigroup
CBI:	Confederation of British Industry
CEBR:	Centre for Economics and Business Research Ltd
CL:	Credit Lyonnais
CSFB:	Credit Suisse First Boston
DIR:	Daiwa Institute of Research
DB:	Deutsche Bank
DKW:	Dresdner Kleinwort Wasserstein
EBS:	Experian Business Strategies (previously BSL)
EC:	European Commission
ECOM:	Economy.com Inc
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
ISIS:	ISIS Asset Management plc (previously FIS)
ITEM:	ITEM Club
JPM:	JP Morgan Chase
LB:	Lehman Brothers
Liv:	Liverpool Macro Research
LS:	Lombard Street Research Ltd
MS:	Morgan Stanley
NIESR:	National Institute for Economic and Social Research
OECD:	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
RBSFM:	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 ABJR+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:	various 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

#### ANNEX 4: Organisation Contact Details

<b><u>Organisation</u></b>	<b><u>Contact</u></b>	<b><u>Telephone number</u></b>
ABN AMRO	James Carrick	020 7678 7575
Bank of America	Lorenzo Codogno	020 7174 4101
Barclays Capital	George Johns	020 7773 4308
Bridgewell	Richard Jeffrey	020 7003 3500
Cambridge Econometrics	Rachel Beaven	01223 460 760
Capital Economics Ltd	Jonathan Loynes	020 7823 5000
Citigroup	Michael Saunders	020 7986 9297
CBI	Andrew Goodwin	020 7395 8080
CEBR	Andrij Halushka	020 7324 2860
Credit Suisse First Boston	Neville Hill	020 7888 1334
Daiwa Institute of Research	Don Egginton	020 7597 8470
Deutsche Bank	George Buckley	020 7545 1372
Dresdner Kleinwort Wasserstein	John O'Sullivan	020 7475 2423
Experian Business Strategies (previously BSL)	Neil Blake	0870 196 8233
EC	Richard Salt	32 2 2987703
Economy.com	Paul Guest	020 8785 5616
EIU	Phillip Whyte	020 7830 1287
Economic Perspectives	Peter Warburton	01582 539 861
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 2144
HSBC	John Butler	0207 991 6718
ING Financial Markets	James Knightley	020 7767 6614
ISIS Asset Management plc (previously FIS)	Steve Andrew	020 7506 1537
ITEM club	Peter Spencer	01865 268913
J P Morgan	Malcolm Barr	020 7777 1080
Lehman Brothers	Alan Castle	020 7011 7745
Liverpool Macro Research	David Meenagh	029 2087 5198
Lombard St Research Ltd	Mark Richards	020 7382 5923
MacroEcon.com	Mark Nielson	646 621 6828 (USA)
Morgan Stanley	Melanie Baker	020 7425 8607
NIESR	Rebecca Riley	020 7222 7665
Oxford Economic Forecasting	Adrian Cooper	01865 68900
Schroders Investment Management	Richard Batley	020 7658 2011
Standard Chartered Bank	Gavin Redknapp	020 7280 6690
UBS	Robyn Barnett	020 7568 8020
WestLB AG	Dr. Holger Sandte	0049 211 826 7398
Williams de Broë	David Smith	020 7898 2402