



**HM Treasury**

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**FORECASTS FOR THE UK ECONOMY**

**A comparison of independent forecasts**

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**Compiled by  
Economic Assessment Team**

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**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 22 January 2003. 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, December 2002

This edition of the comparison contains 34 new forecasts. The tables below summarise the average and range of independent forecasts for 2002 and 2003 and show the average of this month's new forecasts.

Forecasts for 2002	Independent <sup>+</sup>				Average of new* forecasts
	Averages		December range		
	December	November	Lowest	Highest	
GDP growth (per cent)	1.6	1.6	1.3	1.8	1.6
Inflation rate (Q4: per cent)					
- RPI	2.2	2.1	1.5	2.6	2.3
- RPI ex MIPs	2.4	2.2	1.5	2.6	2.4
Claimant unemployment (Q4: mn)	0.96	0.97	0.90	1.05	0.96
Current account (£bn)	-18.6	-18.7	-23.0	-13.3	-18.7
PSNB** (2002-03: £bn)	18.6	14.9	12.8	23.0	19.0

Forecasts for 2003	Independent <sup>+</sup>				Average of new* forecasts
	Averages		December range		
	December	November	Lowest	Highest	
GDP growth (per cent)	2.3	2.4	-0.6	3.1	2.3
Inflation rate (Q4: per cent)					
- RPI	2.6	2.8	1.5	4.2	2.6
- RPI ex MIPs	2.4	2.3	1.6	3.4	2.3
Claimant unemployment (Q4: mn)	1.00	0.99	0.82	1.27	1.00
Current account (£bn)	-21.5	-21.5	-36.9	-12.0	-22.2
PSNB** (2003-04: £bn)	24.1	19.7	14.0	30.0	24.8

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (December: 34 Institutions, November: 4 Institutions, October: 3 Institutions)

\*Based on new forecasts received for the comparison this month

\*\*PSNB: Public Sector Net Borrowing (Treasury forecast excluding windfall taxes institutions, and associated spending)

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

Table 1 - 2002: Growth in GDP and its components (% change)

December 2002 Comparison

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (Ebn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
<b>City Forecasters</b>										
ABN AMRO	Nov	1.6	3.4	4.3	-4.0	-1.7	2.1	-0.9	0.8	-0.6
Bank of America	Dec *	1.6	3.7	4.1	-5.4	-0.1	2.3	-1.6	0.3	-0.7
Barclays Capital	Dec *	1.5	3.5	4.5	-4.9	-1.4	2.0	-0.3	1.1	-0.5
Bridgewell	Dec *	1.8	3.7	4.6	-5.4	-0.5	2.2	-1.4	0.4	-0.6
Capital Economics	Dec *	1.5	3.2	5.0	-2.5	0.2	2.7	-3.5	0.5	-1.2
Citigroup	Dec *	1.7	3.9	4.1	-6.3	0.5	2.1	-1.2	0.4	-0.4
Credit Lyonnais	Dec *	1.6	3.7	4.0	-5.4	0.0	2.2	-1.7	0.3	-0.7
Credit Suisse First Boston	Dec *	1.6	3.8	4.1	-5.5	0.2	2.2	-1.5	0.5	-0.7
Daiwa Institute of Research	Dec *	1.6	3.7	4.1	-5.4	-0.5	2.1	-1.1	0.6	-0.5
Deutsche Bank	Dec *	1.6	3.7	4.1	-5.4	0.1	2.2	-1.8	0.4	-0.8
Dresdner Kleinwort Wasserstein	Dec *	1.6	3.8	4.2	-5.2	0.6	2.3	-2.2	0.3	-0.8
Economic Perspectives	Dec *	1.3	3.5	4.0	-5.9	-0.7	1.9	-1.9	0.1	-0.7
Fortis Bank	Dec *	1.6	3.7	3.9	-5.3	0.5	2.2	-1.5	0.6	-0.6
Goldman Sachs	Dec *	1.6	3.7	4.3	-5.3	0.0	2.2	-1.9	0.2	-0.7
Hermes	Nov	1.5	3.5	4.0	-4.9	-1.0	2.0	0.4	1.7	-0.5
HSBC Economics and Strategy	Oct	1.6	3.5	3.8	-3.0	0.2	2.4	-1.4	1.3	-0.7
ING Financial Markets	Dec *	1.5	3.7	4.2	-5.7	-0.1	2.1	-1.9	0.2	-
ISIS Asset Management plc <sup>1</sup>	Dec *	1.7	3.6	3.8	-5.0	-0.5	2.2	-	-	-0.6
J P Morgan	Dec *	1.6	3.7	4.1	-5.2	-	2.3	-1.7	0.3	-0.7
Lehman Brothers	Dec *	1.6	3.7	4.2	-5.6	0.2	2.2	-2.0	0.1	-0.7
Lombard Street	Dec *	1.7	3.7	4.2	-5.8	0.2	2.2	-1.9	0.2	-0.7
Merrill Lynch	Jun	2.2	3.6	-	1.5	-	-	-	-	-
Morgan Stanley Dean Witter	Nov	1.4	3.7	4.7	-4.5	0.3	2.4	-0.6	1.3	-1.3
RBSFM	Dec *	1.6	3.7	3.9	-5.1	-0.5	2.1	-1.4	0.4	-0.5
Schroders Investment Management	Dec *	1.6	3.7	4.3	-4.9	0.0	2.3	-1.7	0.6	-0.8
Standard Chartered Bank	Dec *	1.6	3.5	4.0	-5.3	0.2	2.1	-1.6	0.3	-0.7
UBS Warburg	Dec *	1.6	3.7	4.3	-5.5	-	2.1	-1.6	0.3	-0.7
WestLB AG	Dec *	1.5	3.5	4.3	-5.3	-0.2	2.3	-1.8	0.0	-0.7
Williams de Broe	Dec *	1.6	3.6	4.1	-5.0	-0.2	2.2	-1.2	0.6	-0.7
<sup>1</sup> Previously Friends, Ivory & Sime										
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Dec *	1.6	3.8	3.8	-5.3	0.2	2.2	-1.8	0.3	-0.7
CBI	Dec *	1.5	3.4	4.1	-3.2	-0.1	2.3	-1.6	1.0	-0.9
CEBR	Dec *	1.5	3.3	4.1	-2.3	1.1	2.5	-2.1	1.5	-
EBS	Dec *	1.5	3.7	4.1	-5.2	-0.3	2.1	-1.5	0.4	-0.8
EIU	Oct	1.6	3.3	3.7	-5.1	1.6	2.1	-0.4	1.3	-0.6
Global Insight <sup>2</sup>	Dec *	1.5	3.7	4.3	-5.7	-	2.2	-1.1	1.1	-0.8
ITEM Club	Dec *	1.6	3.5	4.5	-4.3	-0.7	2.3	-0.8	1.4	-0.9
Liverpool Macro Research	Dec *	1.6	3.2 c	4.7 d	0.4 e	-	-	-	-	-
NIESR	Nov	1.4	3.3	3.6	-4.2	-0.6	2.0	-0.7	1.0	-
OEF	Dec *	1.6	3.8	4.1	-5.4	-0.3	2.2	-1.6	0.5	-0.7
EC	Dec *	1.6	3.5	3.7	-4.0	-1.2	2.0	0.0	1.4	-0.6
OECD	Dec *	1.5	3.6	4.5	-4.4	-0.1 h	2.3	-1.1	1.5	-1.0
IMF	Oct	1.7	3.5	2.9	-1.9	-	2.5	-0.8	1.3	-0.8
<sup>2</sup> Previously DRI-WEFA										
<b>Average of Forecasts made in the last 3 months</b>										
Independent		1.6	3.6	4.1	-4.8	-0.1	2.2	-1.4	0.7	-0.7
New (marked *)		1.6	3.6	4.2	-5.0	-0.1	2.2	-1.6	0.6	-0.7
City		1.6	3.6	4.2	-5.1	-0.2	2.2	-1.5	0.5	-0.7
<b>Range of Forecasts made in the last 3 months</b>										
Highest		1.8	3.9	5.0	-1.9	1.6	2.7	0.4	1.7	-0.4
Lowest		1.3	3.2	2.9	-6.3	-1.7	1.9	-3.5	0.0	-1.3
Median		1.6	3.7	4.1	-5.2	-0.1	2.2	-1.5	0.5	-0.7
HM Treasury	Dec	1½	3½	4¼	-4¼	-¼	2¼	-1¼	½	-

Table 2 - 2002: Growth in prices and monetary indicators (% change)

December 2002 Comparison

Forecasters & dates of forecasts		RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>								
ABN AMRO	Nov	2.4	2.6	3.7	105.0	4.00	25.0	6.5
Bank of America	Dec *	-	2.2	3.5	-	4.00	24.6	6.0
Barclays Capital	Dec *	2.5	2.6	3.6	106.5	4.00	-	-
Bridgewell	Dec *	2.3	2.3	4.1	105.3	4.00	-	7.7
Capital Economics	Dec *	2.0	2.1	4.0	104.0	4.00	26.0	6.0
Citigroup	Dec *	2.5	2.5	3.7	106.0	4.00	24.5	-
Credit Lyonnais	Dec *	2.5	2.5	3.7	106.0	4.00	25.5	-
Credit Suisse First Boston	Dec *	2.3	2.3	3.5	105.0	4.00	-	-
Daiwa Institute of Research	Dec *	2.3	2.3	4.0	106.3	4.00	24.9	-
Deutsche Bank	Dec *	2.4	2.5	3.6	106.0	4.00	26.5	5.8
Dresdner Kleinwort Wasserstein	Dec *	2.6	2.6	3.5	106.0	4.00	-	-
Economic Perspectives	Dec *	2.0	2.1	3.8	104.0	4.00	25.0	7.0
Fortis Bank	Dec *	2.5	2.6	3.7	105.9	4.00	25.0	-
Goldman Sachs	Dec *	1.6	2.2	3.7	105.3	4.00 ks	20.6	7.2 j
Hermes	Nov	2.5	2.3	3.6	107.0	3.75	-	-
HSBC Economics and Strategy	Oct	1.5	2.1	3.9	107.0	4.00	28.0	-
ING Financial Markets	Dec *	2.3	2.5	3.8	-	4.00	-	5.9
ISIS Asset Management plc	Dec *	2.5	2.6	3.8	-	4.00	-	-
J P Morgan	Dec *	1.5	2.2	-	-	4.00	26.6	-
Lehman Brothers	Dec *	2.5	2.6	3.7	106.5	4.00	-	-
Lombard Street	Dec *	2.5	2.6	3.8	105.8	4.00	25.0	6.2
Merrill Lynch	Jun	2.5	2.5	4.0	-	5.00	-	-
Morgan Stanley Dean Witter	Nov	2.3	2.3	3.6	102.1	4.00	-	-
RBSFM	Dec *	2.5	2.6	3.7	105.7	4.00	25.9	-
Schroders Investment Management	Dec *	2.5	2.6	3.7	-	4.00	25.0	-
Standard Chartered Bank	Dec *	2.3	2.5	3.8	106.0	4.00	25.0	5.7
UBS Warburg	Dec *	2.5	2.5	3.8	-	4.00	-	-
WestLB AG	Dec *	2.3	2.4	4.0	105.0	4.00	24.0	5.8
Williams de Broe	Dec *	2.1	2.3	3.6	105.6	4.00	24.8	6.2
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Dec *	1.6 k	2.2 k	3.5 n	106.4 k	4.00 ks	24.9	-
CBI	Dec *	2.4	2.5	3.7	106.0	4.00	24.4	-
CEBR	Dec *	2.4	2.2	3.6	107.3	3.75	24.9	5.2
EBS	Dec *	1.6	2.2	3.7	98.7	4.50	24.4	-
EIU	Oct	1.7	2.1	4.1	106.9	4.00	25.2	-
Global Insight	Dec *	-	2.5	3.5	-	4.00	-	-
ITEM Club	Dec *	2.1	2.2	4.1	105.0	4.00	27.0	5.3
Liverpool Macro Research	Dec *	-	2.4	3.2	105.6	4.20	-	-
NIESR	Nov	1.5	2.1	3.8	106.1	4.00 s	24.8 ii	-
OEF	Dec *	2.4	2.5	3.9	106.2	3.90	24.8	5.9
EC	Dec *	1.4 k	0.9 ak	3.5 n	-	4.00 ks	25.5	-
OECD	Dec *	3.2 kil	2.0 k	3.4 n	-	4.00 ks	23.9	-
IMF	Oct	-	1.5	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.2	2.4	3.7	105.5	4.00	25.1	6.1
New (marked *)		2.3	2.4	3.7	105.4	4.01	24.9	6.1
City		2.3	2.4	3.7	105.5	3.99	25.1	6.3
<b>Range of Forecasts made in the last 3 months</b>								
Highest		2.6	2.6	4.1	107.3	4.50	28.0	7.7
Lowest		1.5	1.5	3.2	98.7	3.75	20.6	5.2
Median		2.3	2.4	3.7	106.0	4.00	25.0	6.0
HM Treasury	Dec	-	2½	-	-	-	-	-

Table 3 - 2002: Growth in other selected variables (% change)

December 2002 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2002-03)
<b>City Forecasters</b>								
ABN AMRO	Nov	2.4	0.1	1.00	-3.8	2.6	-19.8	17.5
Bank of America	Dec *	-	-	-	-	-	-	-
Barclays Capital	Dec *	2.3	0.1	0.96	-3.6	-	-16.2	21.0 cc
Bridgewell	Dec *	2.3	-0.1	0.92	-3.7	-	-16.4	21.0
Capital Economics	Dec *	2.5	0.1	1.00	-3.0	3.0	-22.0	15.0
Citigroup	Dec *	3.9	0.1	0.93	-4.0	-	-16.6	22.0
Credit Lyonnais	Dec *	-	-	0.95	-4.0	2.0	-19.4	23.0
Credit Suisse First Boston	Dec *	2.5	0.0	1.00	-4.0	-	-18.0	20.0
Daiwa Institute of Research	Dec *	2.3	0.2	0.94	-	1.8	-16.0	21.0
Deutsche Bank	Dec *	2.4	-	0.95	-4.0	-	-16.7	20.0
Dresdner Kleinwort Wasserstein	Dec *	2.2	-0.1	0.96	-4.0	-	-18.6	20.1
Economic Perspectives	Dec *	1.9	-0.4	1.05	-4.1	1.5	-23.0	18.0
Fortis Bank	Dec *	-	0.2	0.95	-3.3 jj	-	-19.0	18.0
Goldman Sachs	Dec *	2.6	0.1	0.95	-4.1	-	-17.8	21.1
Hermes	Nov	-	-0.1	0.95	-	-	-17.0	-
HSBC Economics and Strategy	Oct	4.1	0.2	1.00	-3.9	2.4	-17.4	22.0 cc
ING Financial Markets	Dec *	-	-	-	-3.2	-	-22.6	18.0
ISIS Asset Management plc	Dec *	-	0.2	0.90	-5.0	-	-20.0	-
J P Morgan	Dec *	-	-	-	-	-	-20.9	18.0
Lehman Brothers	Dec *	2.9	-0.1	0.90	-3.9	0.0	-19.3	17.0
Lombard Street	Dec *	2.4	0.2	0.95	-	-	-18.8	22.0
Merrill Lynch	Jun	-	-	-	-2.5	-	-26.0	-
Morgan Stanley Dean Witter	Nov	1.7	0.1	1.00	-4.2	-	-20.0	15.0
RBSFM	Dec *	2.5	0.7	0.95	-3.9	1.8	-18.3	16.9
Schroders Investment Management	Dec *	3.0	-	3.20 x	-4.9	-	-22.3	-
Standard Chartered Bank	Dec *	2.0	0.0	0.95	-4.0	3.0	-20.0	20.0
UBS Warburg	Dec *	-	-0.7	1.00	-3.8	-	-15.0	20.0
WestLB AG	Dec *	2.3	0.5	0.94	-4.5	3.0	-17.0	-
Williams de Broe	Dec *	-	0.1	0.94	-3.9	2.8	-18.5	17.8
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Dec *	2.1	0.1 Jun	0.90 k	-3.5	1.6 hh	-18.8	8.4 kcc
CBI	Dec *	2.1	0.1	0.96	-4.1	2.9	-18.2	18.4
CEBR	Dec *	1.8	-0.1	0.98	-3.2	-	-21.6	12.8
EBS	Dec *	2.4	0.2	1.02	-3.8	3.3	-16.5	16.2
EIU	Oct	2.5	0.3	0.94	-3.4	3.0	-20.4	-
Global Insight	Dec *	-	0.7	-	-3.3	-	-20.4	20.0
ITEM Club	Dec *	2.0	0.1	0.97	-3.9	1.7	-18.0	20.0
Liverpool Macro Research	Dec *	-	-	0.98	-	-	-18.6	10.3 cc
NIESR	Nov	2.4	0.2	0.97	-3.8	2.6 w	-13.3	14.1
OEF	Dec *	2.3	0.2	0.94	-4.1	1.6	-16.8	18.9
EC	Dec *	2.8	0.7	5.00 aak	-4.2	-	-18.4	11.0 ee
OECD	Dec *	-	0.5	5.20 aa	-	-	-1.7 g	-
IMF	Oct	-	-0.3	5.20 aa	-	-	-2.1 g	-
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.4	0.1	0.96	-3.9	2.3	-18.6	18.6
New (marked *)		2.4	0.1	0.96	-3.9	2.2	-18.7	19.0
City		2.5	0.1	0.96	-4.0	2.2	-18.8	19.1
<b>Range of Forecasts made in the last 3 months</b>								
Highest		4.1	0.7	1.05	-3.0	3.3	-13.3	23.0
Lowest		1.7	-0.7	0.90	-5.0	0.0	-23.0	12.8
Median		2.4	0.1	0.95	-3.9	2.5	-18.6	18.7
HM Treasury	Dec	2	-	-	-4	1½ w	-18¾	20.1

Table 4 - 2003: Growth in GDP and its components (% change)

December 2002 Comparison

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (Ebn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
<b>City Forecasters</b>										
ABN AMRO	Nov	2.5	2.1	4.0	3.4	-1.7	2.7	5.9	5.7	-0.3
Bank of America	Dec *	2.3	2.9	2.9	0.0	0.2	2.6	2.8	3.4	-0.5
Barclays Capital	Dec *	2.1	2.5	3.1	-3.1	1.8	2.0	5.3	4.6	-0.1
Bridgewater	Dec *	2.6	2.2	4.6	0.5	0.0	2.5	4.3	3.8	-0.1
Capital Economics	Dec *	2.5	1.5	4.0	2.0	0.6	1.9	4.5	2.5	0.6
Citigroup	Dec *	2.5	2.6	3.1	-2.8	1.0	2.0	4.9	3.4	0.4
Credit Lyonnais	Dec *	2.3	3.0	3.7	0.6	0.7	2.8	1.8	3.3	-0.9
Credit Suisse First Boston	Dec *	2.5	3.3	2.6	1.0	1.3	2.9	3.0	4.0	-0.6
Daiwa Institute of Research	Dec *	2.7	2.6	3.0	1.7	1.6	2.8	6.3	5.8	-0.1
Deutsche Bank	Dec *	2.5	3.2	2.8	1.9	1.4	3.1	2.8	4.4	-0.8
Dresdner Kleinwort Wasserstein	Dec *	2.2	2.9	3.4	3.9	0.0	3.1	2.8	4.8	-0.9
Economic Perspectives	Dec *	-0.6	0.4	2.9	-6.5	-1.4	-0.3	-1.3	-0.3	-0.3
Fortis Bank	Dec *	2.6	2.5	3.6	1.2	3.4	2.8	5.1	5.4	-0.2
Goldman Sachs	Dec *	2.6	3.1	3.3	0.4	2.0	2.9	2.0	3.0	-0.5
Hermes	Nov	2.5	2.7	2.9	0.1	-0.3	2.4	4.8	4.0	0.0
HSBC Economics and Strategy	Oct	2.4	2.4	2.7	2.8	1.1	2.6	5.2	5.2	-0.2
ING Financial Markets	Dec *	1.8	2.9	3.6	-4.5	-1.8	2.1	-2.9	-1.0	-
ISIS Asset Management plc	Dec *	2.7	2.2	3.8	0.5	0.1	2.2	-	-	0.2
J P Morgan	Dec *	3.1	3.4	3.8	1.9	-	3.9	4.3	3.3	0.1
Lehman Brothers	Dec *	2.6	4.0	3.6	-0.6	3.4	3.6	2.4	5.2	-1.3
Lombard Street	Dec *	3.0	3.0	4.0	1.0	2.0	3.1	4.0	4.0	-0.3
Merrill Lynch	Jun	3.2	2.8	-	3.0	-	-	-	-	-
Morgan Stanley Dean Witter	Nov	2.7	3.3	5.7	3.3	0.7	3.7	7.0	7.8	-1.3
RBSFM	Dec *	2.6	2.7	3.1	1.9	0.8	2.7	4.5	4.5	-0.1
Schroders Investment Management	Dec *	2.5	2.6	3.6	3.6	1.3	3.1	1.9	3.8	-0.9
Standard Chartered Bank	Dec *	2.2	1.7	3.5	1.8	0.5	2.1	3.0	2.6	0.0
UBS Warburg	Dec *	2.2	2.5	3.6	-1.0	-	2.1	1.8	1.7	-0.1
WestLB AG	Dec *	2.5	2.8	3.8	0.5	1.4	2.8	3.5	4.0	-0.4
Williams de Broe	Dec *	2.6	1.9	2.6	9.0	1.0	3.4	7.4	8.7	-1.2
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Dec *	2.3	2.5	2.8	1.4	0.3	2.4	4.6	4.5	-0.3
CBI	Dec *	2.4	1.9	3.3	2.8	1.7	2.5	1.5	2.0	-0.3
CEBR	Dec *	1.7	2.1	2.5	0.4	1.8	1.9	3.8	4.4	-
EBS	Dec *	2.6	2.4	3.3	2.9	2.1	2.9	3.4	4.1	-0.6
EIU	Oct	1.8	1.7	3.2	0.8	3.0	2.0	4.0	3.9	-0.2
Global Insight	Dec *	2.5	2.4	3.1	2.0	-	2.5	2.7	2.6	-0.1
ITEM Club	Dec *	1.9	2.5	3.8	0.7	1.4	2.4	3.0	5.6	-1.0
Liverpool Macro Research	Dec *	1.9	1.7 c	5.4 d	0.9 e	-	-	-	-	-
NIESR	Nov	2.5	2.6	2.4	4.4	0.8	3.0	6.2	6.9	-
OEF	Dec *	2.6	3.2	3.2	-0.1	1.8	2.9	4.8	5.3	-0.5
EC	Dec *	2.5	2.3	3.0	2.7	0.0	2.6	5.1	4.9	-0.2
OECD	Dec *	2.2	2.9	2.8	2.4	0.1 h	3.0	4.2	5.9	-1.0
IMF	Oct	2.4	2.4	1.7	3.3	-	2.4	4.4	3.9	-0.1
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.3	2.5	3.3	1.2	1.0	2.6	3.7	4.1	-0.4
New (marked *)		2.3	2.6	3.3	0.9	1.0	2.6	3.4	3.9	-0.4
City		2.4	2.6	3.5	0.9	0.8	2.6	3.6	4.0	-0.4
<b>Range of Forecasts made in the last 3 months</b>										
Highest		3.1	4.0	5.7	9.0	3.4	3.9	7.4	8.7	0.6
Lowest		-0.6	0.4	1.7	-6.5	-1.8	-0.3	-2.9	-1.0	-1.3
Median		2.5	2.6	3.3	1.3	1.0	2.7	4.0	4.0	-0.3
HM Treasury	Dec	2½ - 3	2¼ - 2½	3¾	6½ - 7	-¼ to 0	3 - 3½	3¾ - 4¼	4¾ - 5	-

Table 5 - 2003: Growth in prices and monetary indicators (% change)

December 2002 Comparison

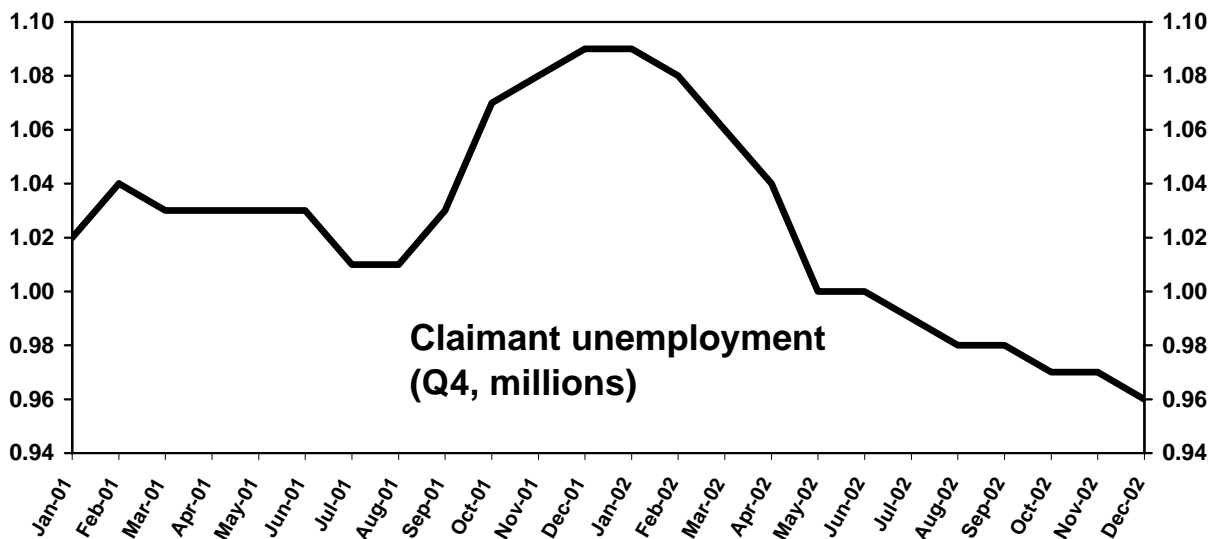
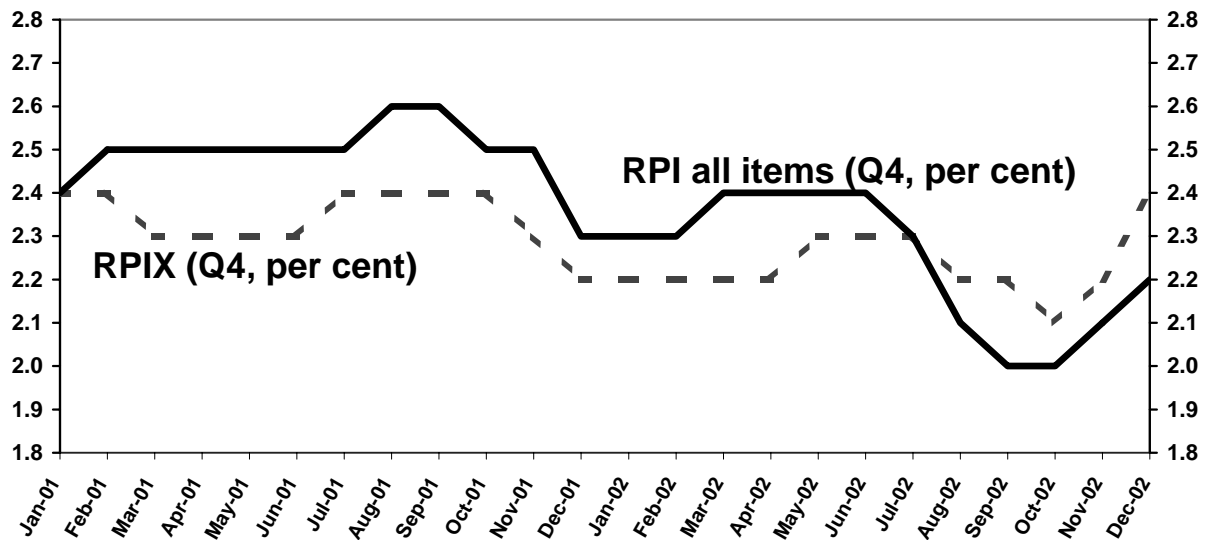
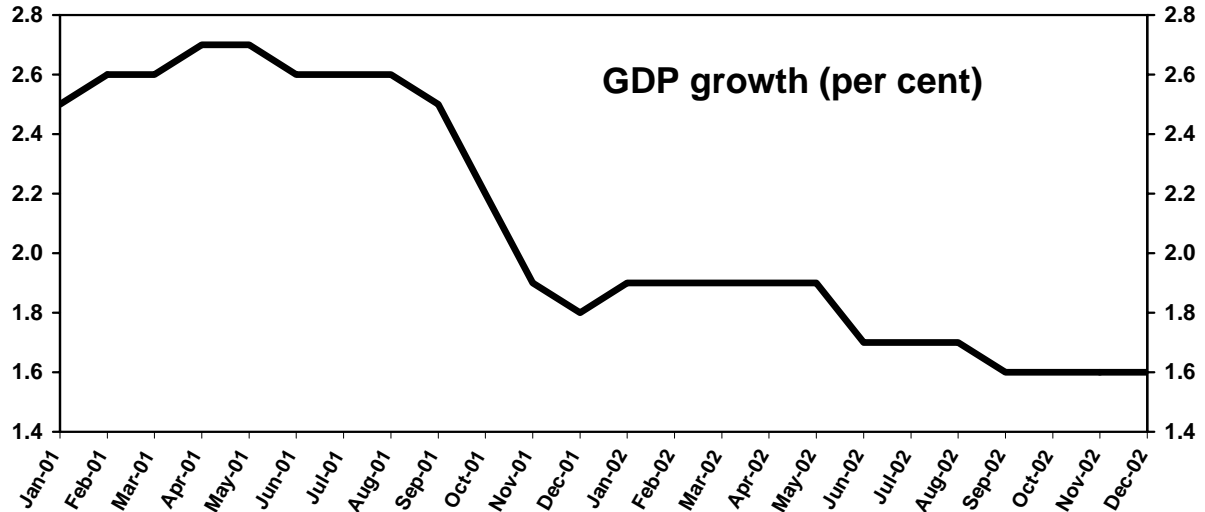
Forecasters & dates of forecasts		RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>								
ABN AMRO	Nov	3.3	2.3	4.8	104.0	4.50	22.0	6.0
Bank of America	Dec *	-	2.5	3.7	-	4.00	25.5	5.0
Barclays Capital	Dec *	2.8	2.5	3.7	108.7	4.67	-	-
Bridgewell	Dec *	4.2	3.1	5.3	98.0	5.25	-	6.2
Capital Economics	Dec *	2.5	2.0	4.5	100.5	4.00	25.0	7.0
Citigroup	Dec *	3.9	3.4	4.6	104.6	4.83	25.0	-
Credit Lyonnais	Dec *	2.5	2.3	4.2	103.0	4.00	25.5	-
Credit Suisse First Boston	Dec *	2.7	2.5	4.5	105.0	4.50	-	-
Daiwa Institute of Research	Dec *	2.7	2.0	4.6	102.8	4.75	24.5	-
Deutsche Bank	Dec *	2.6	2.3	4.2	103.2	4.25	22.0	6.0
Dresdner Kleinwort Wasserstein	Dec *	1.9	2.0	3.8	105.5	3.75	-	-
Economic Perspectives	Dec *	1.8	1.7	3.5	101.0	4.00	21.0	6.0
Fortis Bank	Dec *	2.6	2.4	4.4	102.3	4.50	24.0	-
Goldman Sachs	Dec *	2.8	2.5	4.3	97.0	4.60 ks	17.8	7.9 j
Hermes	Nov	2.2	2.2	4.6	105.0	4.50	-	-
HSBC Economics and Strategy	Oct	2.6	2.6	4.8	106.6	4.00	25.0	-
ING Financial Markets	Dec *	2.5	1.6	4.2	-	4.00	-	6.2
ISIS Asset Management plc	Dec *	2.7	2.4	4.0	-	4.25	-	-
J P Morgan	Dec *	2.0	2.6	-	-	4.50	26.2	-
Lehman Brothers	Dec *	3.1	2.5	4.9	100.6	4.75	-	-
Lombard Street	Dec *	3.5	3.0	4.8	103.0	5.00	23.0	7.9
Merrill Lynch	Jun	2.0	2.5	4.7	-	5.00	-	-
Morgan Stanley Dean Witter	Nov	3.0	2.5	4.5	100.0	4.50	-	-
RBSFM	Dec *	3.0	2.7	4.7	104.6	4.42	25.9	-
Schroders Investment Management	Dec *	2.6	2.6	3.6	-	4.00	23.7	-
Standard Chartered Bank	Dec *	2.0	2.0	4.0	108.0	4.00	20.0	5.5
UBS Warburg	Dec *	2.4	2.3	4.0	-	4.00	-	-
WestLB AG	Dec *	2.5	2.3	4.5	102.0	4.50	22.0	6.0
Williams de Broe	Dec *	2.2	2.1	4.4	99.2	4.70	26.0	8.3
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Dec *	2.0 k	1.7 k	4.5 n	102.4 k	4.30 ks	26.2	-
CBI	Dec *	2.8	2.5	4.3	104.6	4.25	25.4	-
CEBR	Dec *	1.5	1.8	3.8	104.6	2.85	21.0	4.4
EBS	Dec *	2.4	2.2	5.0	97.8	4.75	25.3	-
EIU	Oct	2.6	2.3	4.3	106.2	4.25	24.7	-
Global Insight	Dec *	-	2.5	3.3	-	4.75	-	-
ITEM Club	Dec *	2.5	2.1	4.0	100.0	3.80	27.0	6.0
Liverpool Macro Research	Dec *	-	2.2	3.8	116.0	4.70	-	-
NIESR	Nov	2.4	2.2	4.9	105.9	4.00 s	26.0 ii	-
OEF	Dec *	2.8	2.1	4.3	103.5	4.50	25.8	5.2
EC	Dec *	2.1 k	1.2 ak	4.7 n	-	3.70 k	24.1	-
OECD	Dec *	2.4 kil	1.8 k	4.7 n	-	4.20 k	25.8	-
IMF	Oct	-	2.6	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.6	2.4	4.3	103.4	4.34	24.1	6.1
New (marked *)		2.6	2.3	4.2	103.1	4.34	24.1	6.1
City		2.7	2.4	4.3	102.9	4.37	23.6	6.4
<b>Range of Forecasts made in the last 3 months</b>								
Highest		4.2	3.4	5.3	116.0	5.25	27.0	8.3
Lowest		1.5	1.6	3.3	97.0	2.85	17.8	4.4
Median		2.6	2.3	4.3	103.4	4.50	25.0	6.0
HM Treasury	Dec	-	2½	-	-	-	-	-

Table 6 - 2003: Growth in other selected variables (% change)

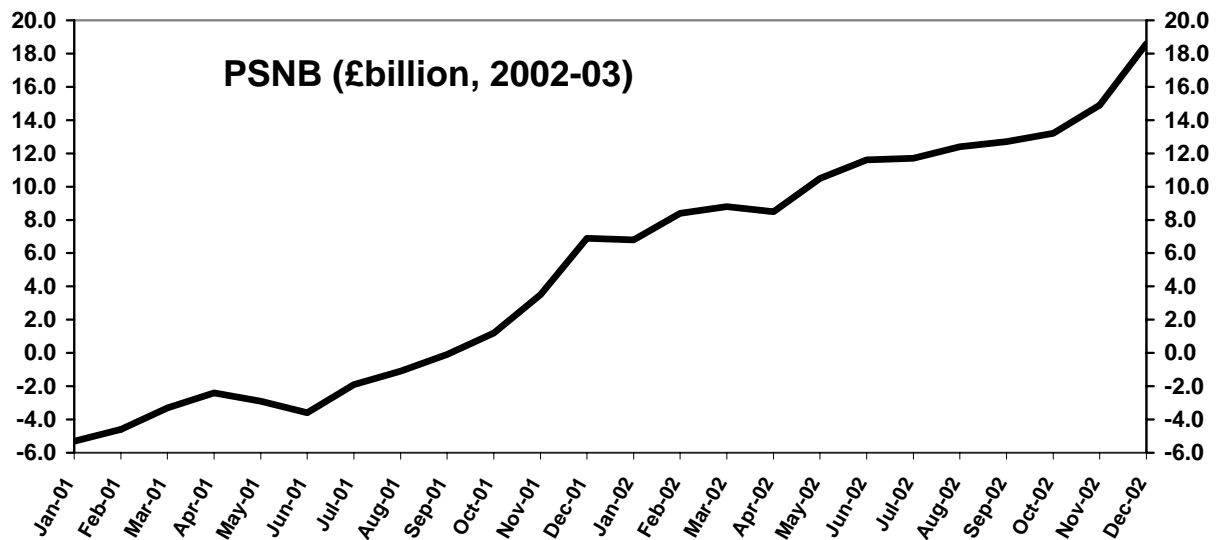
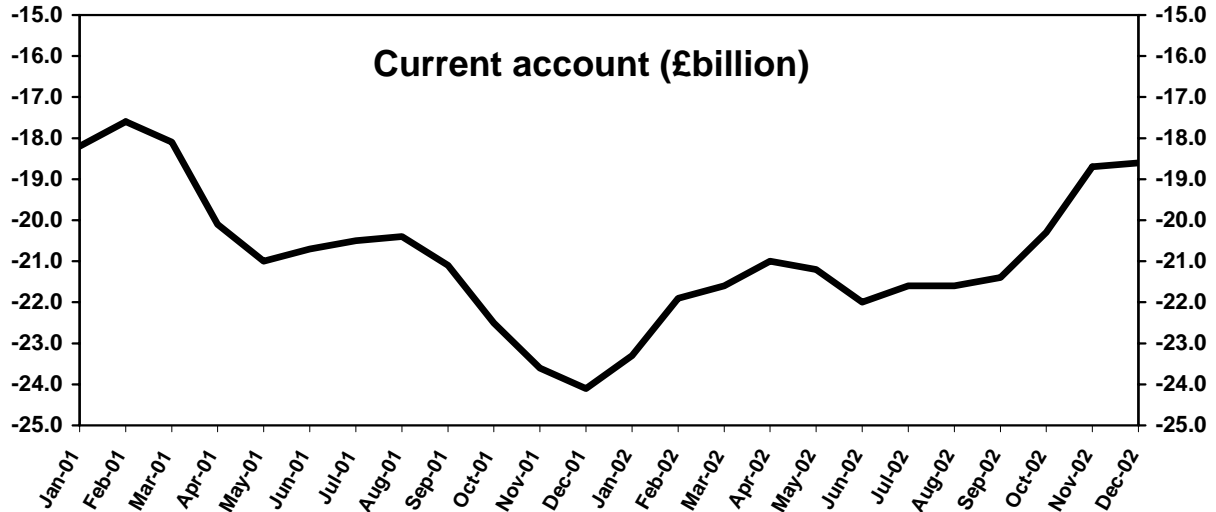
December 2002 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2003-04)
<b>City Forecasters</b>								
ABN AMRO	Nov	2.7	-0.1	1.00	2.3	7.0	-20.0	22.1
Bank of America	Dec *	-	-	-	1.2	-	-18.5	20.0
Barclays Capital	Dec *	1.4	-0.3	1.06	3.0	-	-15.1	23.0 cc
Bridgewell	Dec *	1.0	0.3	0.96	1.6	-	-32.2	26.3
Capital Economics	Dec *	3.0	0.1	1.00	3.0	6.0	-15.0	20.0
Citigroup	Dec *	2.9	0.5	0.82	0.4	-	-18.9	30.0
Credit Lyonnais	Dec *	-	-	0.98	0.9	5.0	-24.5	29.0
Credit Suisse First Boston	Dec *	2.6	0.5	1.00	2.0	-	-18.0	25.0
Daiwa Institute of Research	Dec *	2.3	0.3	0.94	-	6.1	-18.6	25.0
Deutsche Bank	Dec *	2.8	-	1.00	1.2	-	-22.5	24.0
Dresdner Kleinwort Wasserstein	Dec *	2.5	0.2	0.96	1.1	-	-24.5	27.2
Economic Perspectives	Dec *	0.9	-0.6	1.20	-0.4	3.0	-19.0	27.0
Fortis Bank	Dec *	-	0.7	0.89	0.9 jj	-	-21.0	23.0
Goldman Sachs	Dec *	3.3	-0.1	1.00	0.8	-	-20.5	26.2
Hermes	Nov	-	0.2	0.95	-	-	-19.0	-
HSBC Economics and Strategy	Oct	3.1	-0.3	1.02	2.0	5.4	-16.0	26.0 cc
ING Financial Markets	Dec *	-	-	-	1.4	-	-25.6	27.0
ISIS Asset Management plc	Dec *	-	0.2	1.00	1.7	-	-18.0	-
J P Morgan	Dec *	-	-	-	-	-	-22.4	22.0
Lehman Brothers	Dec *	4.5	0.0	1.00	1.4	3.4	-27.2	23.0
Lombard Street	Dec *	2.3	0.2	0.90	-	-	-20.3	28.0
Merrill Lynch	Jun	-	-	-	3.2	-	-20.0	-
Morgan Stanley Dean Witter	Nov	0.9	0.7	0.90	2.5	-	-23.0	14.0
RBSFM	Dec *	2.8	0.5	1.05	1.7	4.8	-22.7	22.5
Schroders Investment Management	Dec *	2.8	-	3.50 x	2.0	-	-27.8	-
Standard Chartered Bank	Dec *	3.0	-0.5	1.00	2.0	6.5	-22.0	25.0
UBS Warburg	Dec *	-	-0.8	1.00	2.3	-	-12.0	25.0
WestLB AG	Dec *	3.3	0.4	0.92	1.5	6.0	-21.0	-
Williams de Broe	Dec *	-	0.7	0.86	2.3	11.6	-36.9	26.3
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Dec *	3.2	-0.2 Jun	1.10 k	1.1	2.5 hh	-20.1	17.1 kcc
CBI	Dec *	1.2	0.3	0.99	1.2	4.7	-23.1	23.6
CEBR	Dec *	2.2	-0.7	1.27	2.2	-	-29.0	23.4
EBS	Dec *	2.4	0.2	1.00	0.9	5.1	-17.3	24.0
EIU	Oct	2.3	-0.1	1.02	1.5	6.7	-13.8	-
Global Insight	Dec *	-	0.3	-	2.3	-	-24.1	24.0
ITEM Club	Dec *	1.6	0.0	1.00	1.0	6.0	-23.0	25.0
Liverpool Macro Research	Dec *	-	-	1.14	-	-	-29.8	11.4 cc
NIESR	Nov	3.2	0.3	1.06	2.0	7.5 w	-16.3	16.9
OEF	Dec *	2.1	0.3	0.96	0.2	5.3	-20.8	24.1
EC	Dec *	2.6	0.7	5.00 aak	1.5	-	-19.8	14.5 ee
OECD	Dec *	-	0.3	5.20 aa	-	-	-2.3 g	-
IMF	Oct	-	0.2	5.30 aa	-	-	-2.3 g	-
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.5	0.1	1.00	1.6	5.8	-21.5	24.1
New (marked *)		2.5	0.1	1.00	1.5	5.7	-22.2	24.8
City		2.5	0.1	0.98	1.6	5.9	-21.5	24.4
<b>Range of Forecasts made in the last 3 months</b>								
Highest		4.5	0.7	1.27	3.0	11.6	-12.0	30.0
Lowest		0.9	-0.8	0.82	-0.4	3.0	-36.9	14.0
Median		2.6	0.2	1.00	1.5	5.7	-20.8	24.1
HM Treasury	Dec	3 - 3½	-	-	1¼ - 2¼	5 w	-24	24

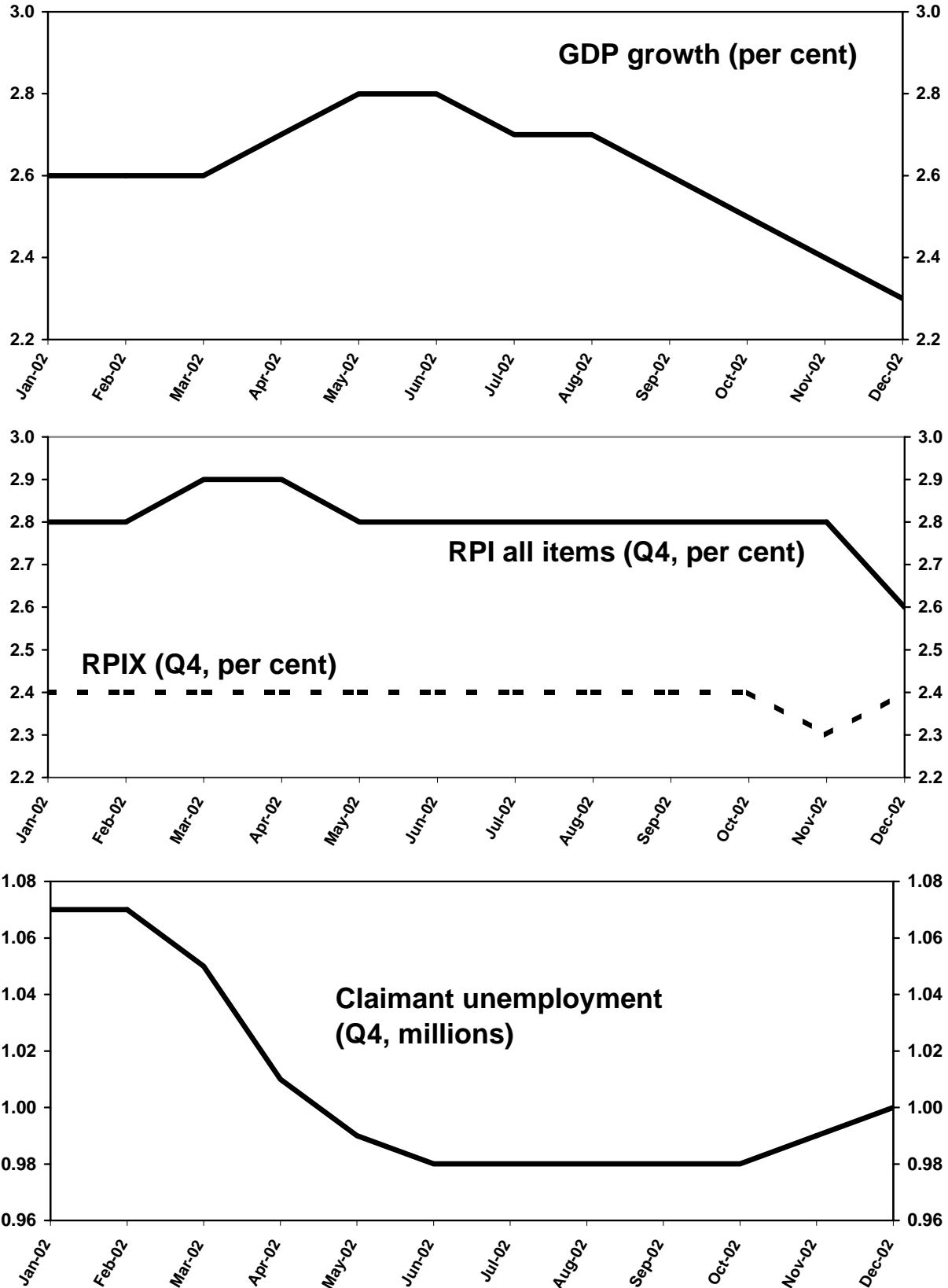
## Average of independent forecasts for 2002; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



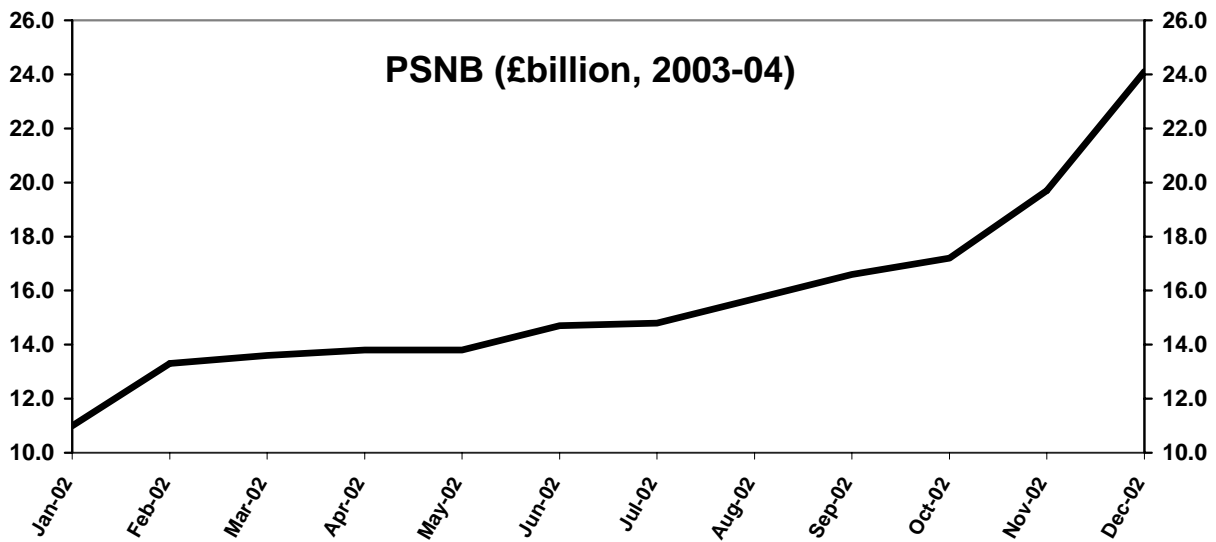
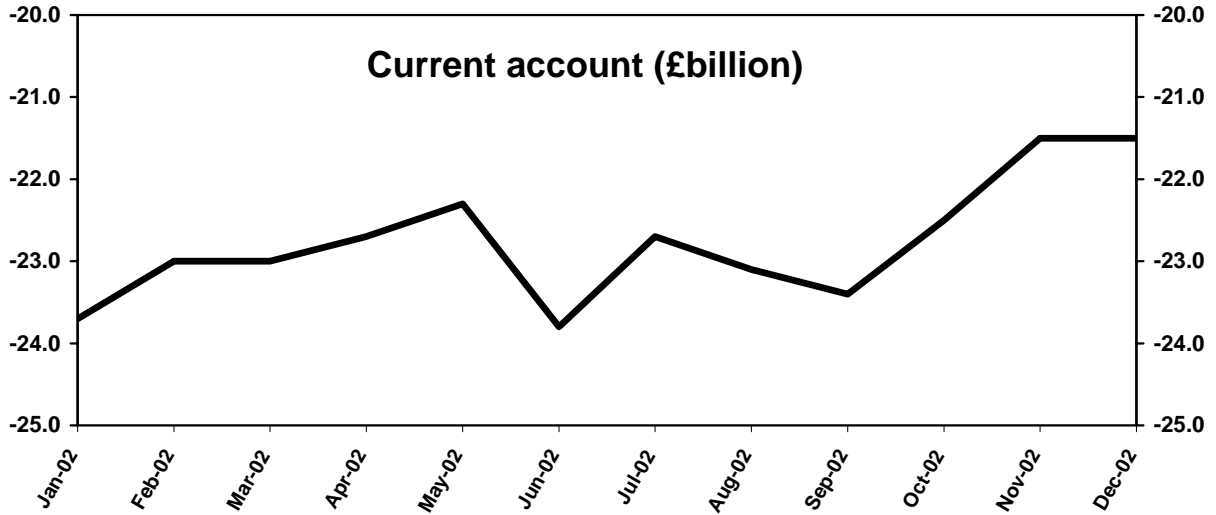
## Average of independent forecasts for 2002; Current account and PSNB (2002-03, £billion)



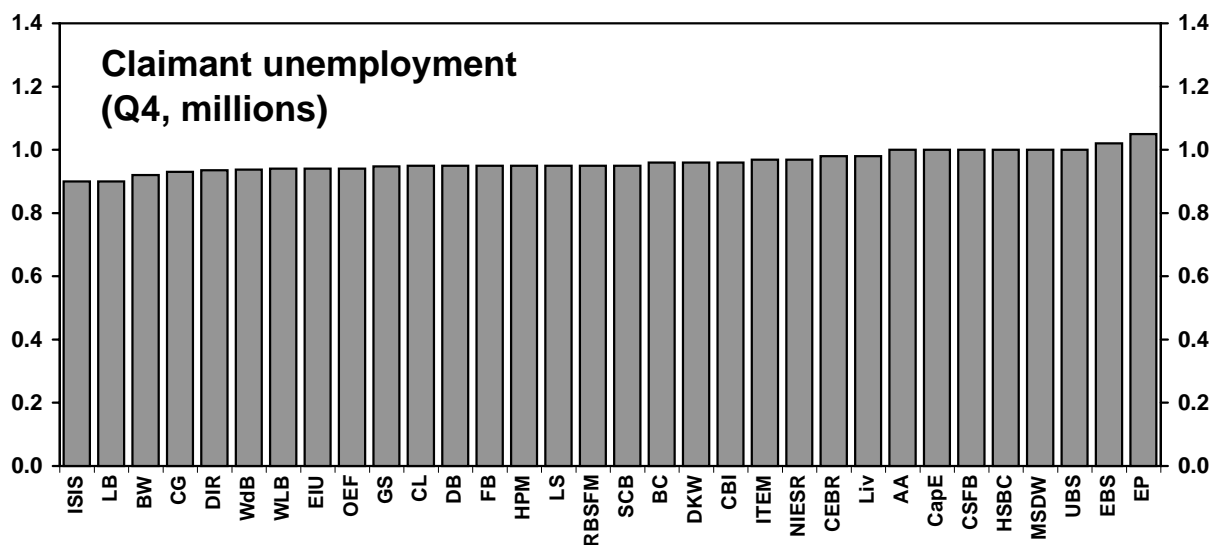
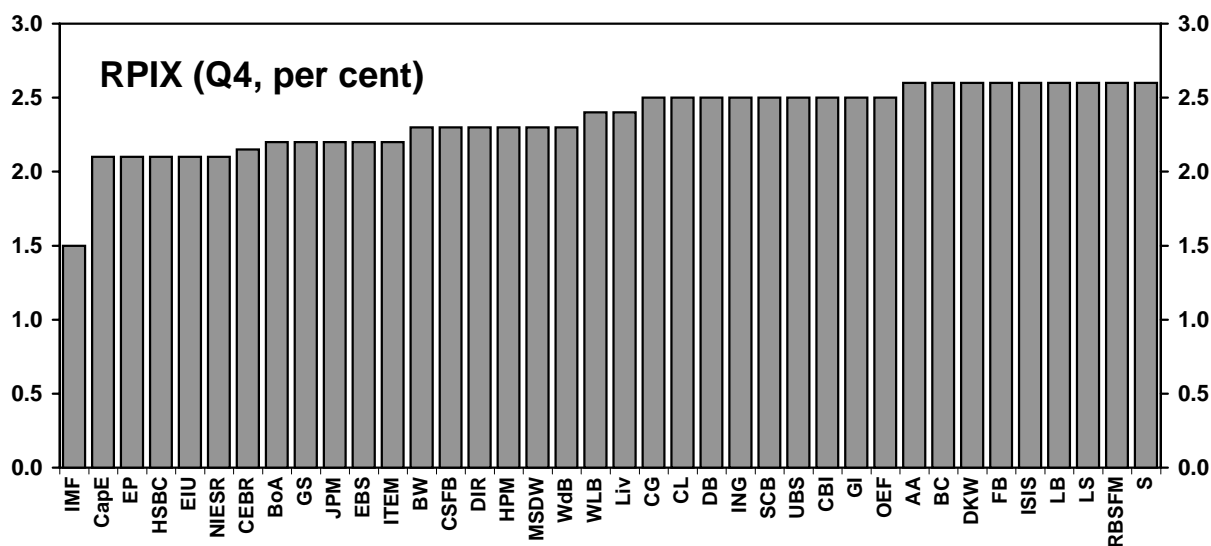
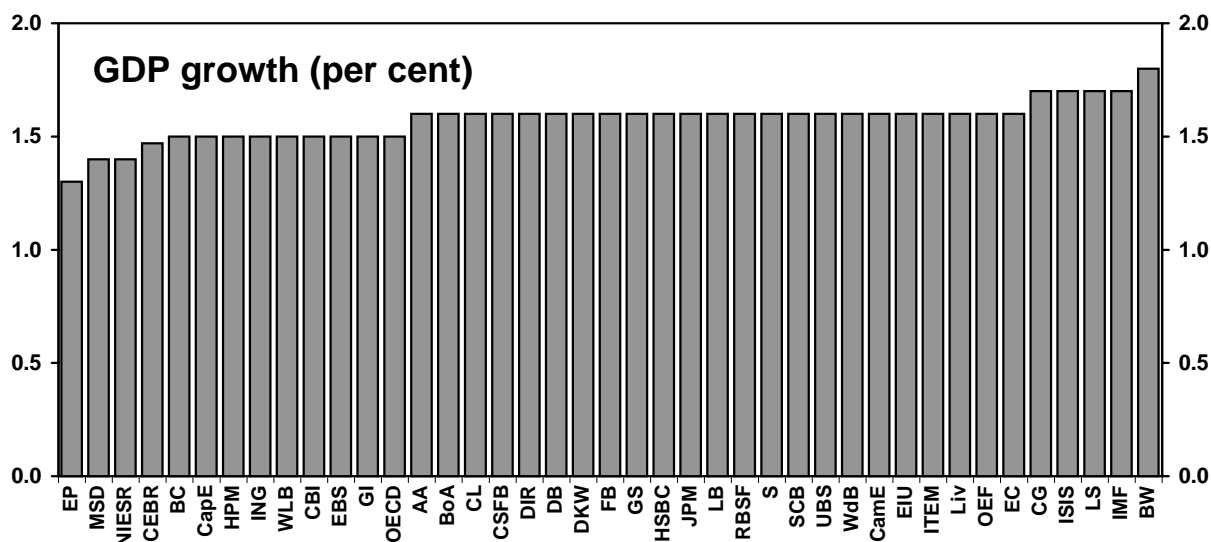
## Average of independent forecasts for 2003; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



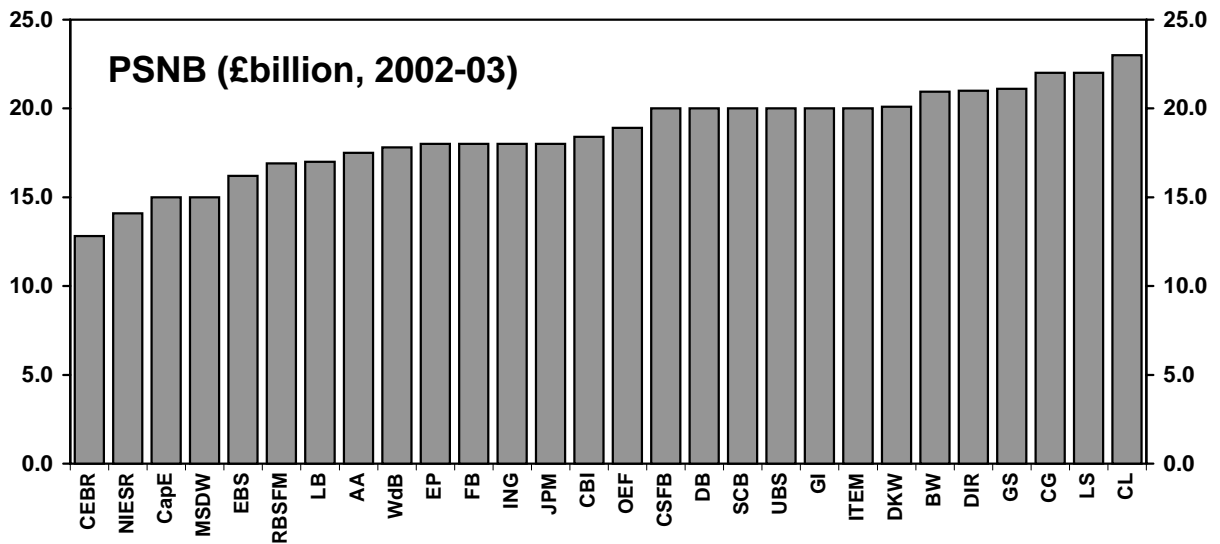
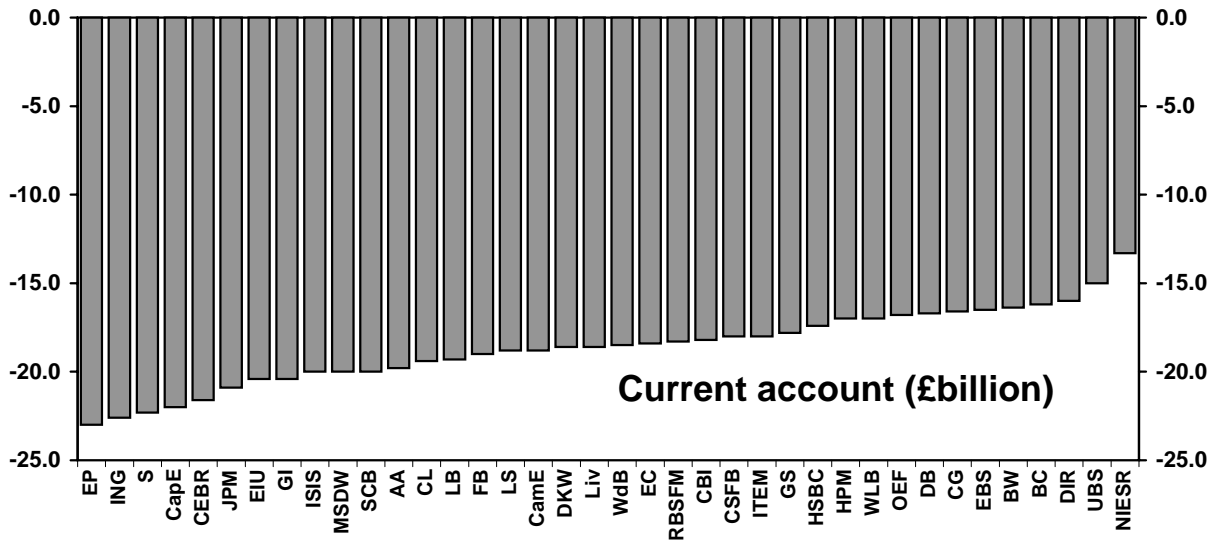
## Average of independent forecasts for 2003; Current account and PSNB (2003-04, £billion)



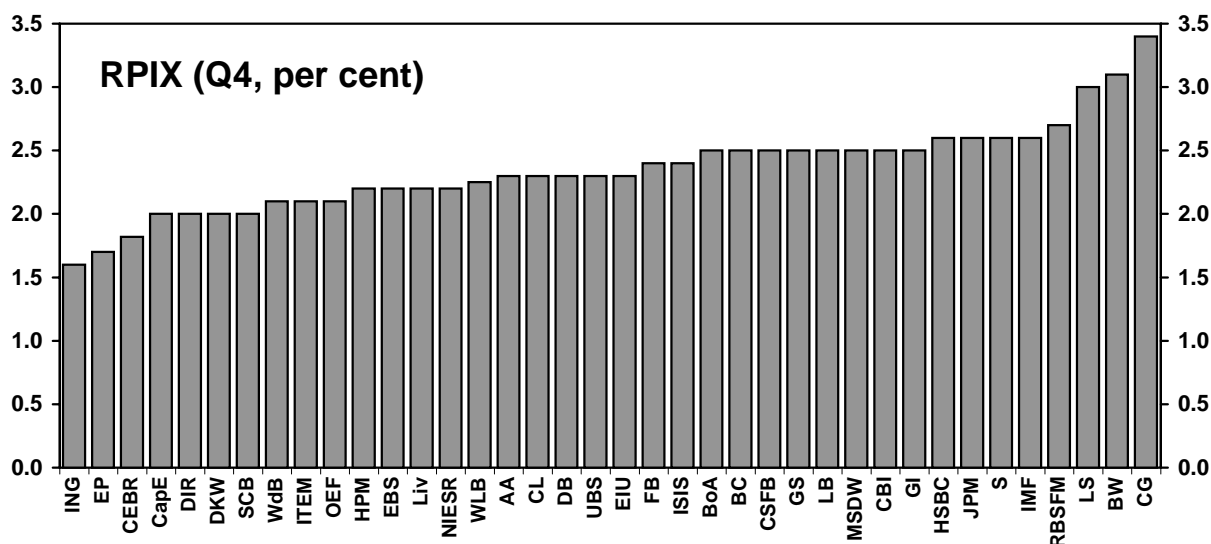
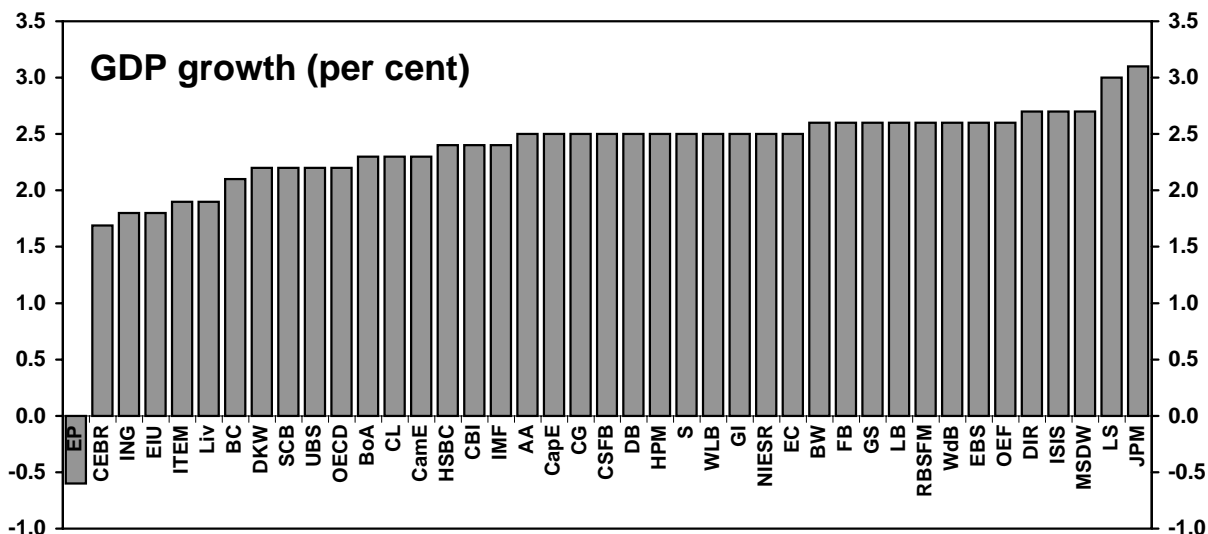
## Range of Forecasts for 2002; GDP, RPIX and Claimant Unemployment (millions) made in last 3 months



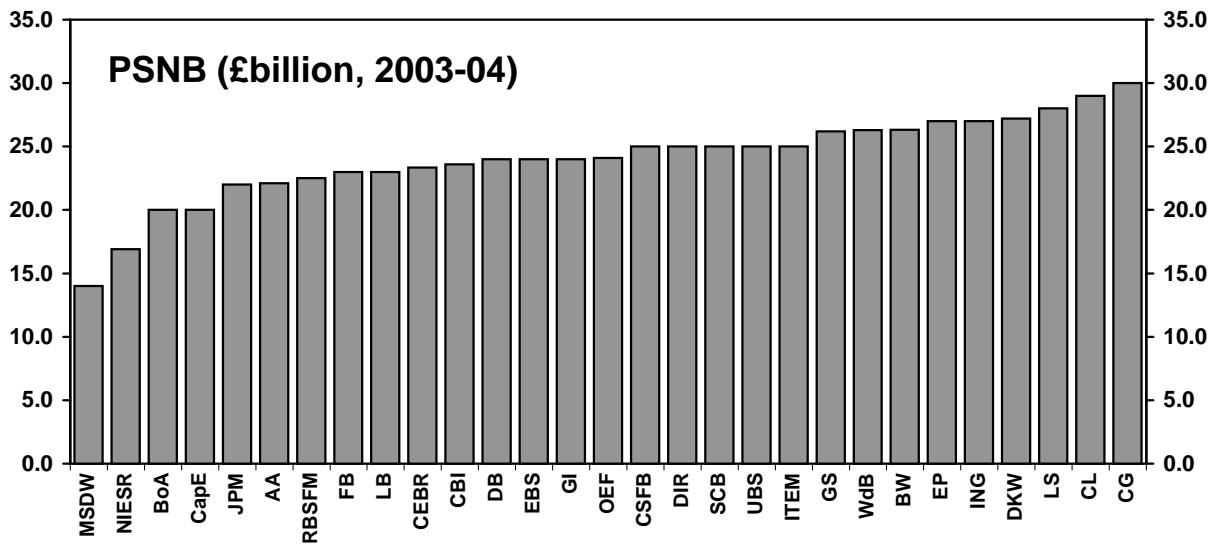
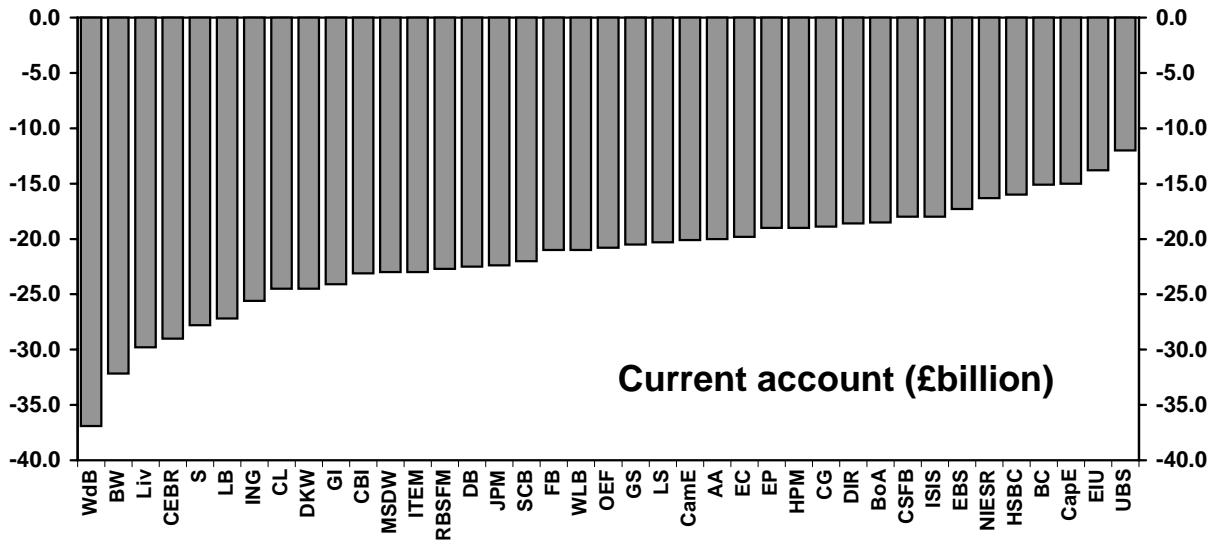
## Range of Forecasts for 2002; Current Account (£bn) and PSNB (2002-03, £bn) made in last 3 months



## Range of Forecasts for 2003; GDP, RPIX and Claimant Unemployment (millions) made in last 3 months



## Range of Forecasts for 2003; Current Account (£bn) and PSNB (2003-04, £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
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
ML:	Merrill Lynch
MSDW:	Morgan Stanley Dean Witter
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
WDR:	UBS Warburg
WLBP:	WestLB Panmure
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 (1995, £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
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 AJHX
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:	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:	3 month interbank 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 market weights
x:	claimant unemployment rate
y:	derived from the consumer price index
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:	1990 Prices
hh:	World GDP
ii:	OPEC average
jj:	Industrial output
ll:	GDP deflator

## ANNEX 4: Organisation Contact Details

<b><u>Organisation</u></b>	<b><u>Contact</u></b>	<b><u>Telephone number</u></b>
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UBS Warburg	Darren Winder	020 7568 4412
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