

HM Treasury

FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts

Compiled by
Economic Assessment Team

No. 135
July 1998

Please note that Forecasts for the UK Economy is a summary of published material reflecting the views of the forecasting organisations themselves and does not in any way provide new information on the Treasury's own views. It contains only a selection of forecasters, which is subject to review. No significance should be attached to the inclusion or exclusion of any particular forecasting organisation. HM Treasury accepts no responsibility for the accuracy of material published in this comparison.

Payment of the subscription fee of £75, made out to " HM Treasury Votes Cash Account", should be sent with your order to Miss C T Coast-Smith, Public Enquiry Unit, HM Treasury, Room 110/2, Parliament Street, London, SW1P 3AG (Tel: 0171 270 4558), to whom subscription enquiries should also be addressed. A proforma invoice can be sent if requested.

Please direct enquiries on the contents of this issue to Andrew Gurney (0171 270 5388).

The next edition will be published on 19 August 1998. It will also be made available at the Treasury's internet site: <http://www.hm-treasury.gov.uk>.

FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts, July 1998

This edition of the comparison contains 27 new forecasts. The tables below summarise the average and range of independent forecasts for 1998 and 1999 and show the average of this month's new forecasts.

Forecasts for 1998

	Independent ⁺				Average of new* forecasts
	Averages		July range		
	July	June	Lowest	Highest	
GDP growth (per cent)	2.2	2.2	1.6	3.1	2.2
Inflation rate (Q4: per cent)					
- RPI	3.2	3.1	2.2	4.5	3.3
- RPI exc MIPs	2.7	2.6	2.0	3.8	2.8
Claimant unemployment (Q4: mn)	1.34	1.34	1.10	1.56	1.35
Current account (£bn)	-8.2	-6.9	-12.9	2.0	-9.2
PSNCR** (1998-99: £bn)	-0.7	-0.5	-9.3	5.0	-1.0

Forecasts for 1999

	Independent ⁺				Average of new* forecasts
	Averages		July range		
	July	June	Lowest	Highest	
GDP growth (per cent)	1.7	1.9	0.8	3.0	1.7
Inflation rate (Q4: per cent)					
- RPI	2.4	2.4	1.4	4.0	2.4
- RPI exc MIPs	2.6	2.6	2.0	4.1	2.7
Claimant unemployment (Q4: mn)	1.45	1.42	1.12	1.68	1.48
Current account (£bn)	-9.4	-8.3	-24.5	5.0	-9.7
PSNCR** (1999-00 : £bn)	0.0	-0.7	-14.5	12.0	0.1

⁺Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (July 27 institutions, June 34 institutions, May 30 institutions).

*Based on new forecasts received for the comparison this month

**PSNCR: Public Sector Net Cash requirement, was previously called PSBR

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

1998

July 1998

Table 1

GDP & its components, at constant prices

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		GDP	Consumers' expenditure	Government expenditure	Fixed investment	Stockbuilding (£bn)	Domestic demand	Exports (goods & services)	Imports
City forecasters									
Abn Amro	July*	2.3	3.8	0.3	5.0	3.2	3.5	1.9	5.6
Barclays Bank	July*	2.2	4.0	0.9	7.5	2.5	4.1	0.6	5.9
Barclays Capital	July*	2.3	3.8	1.4	3.3	2.6	3.3	3.0	6.9
Charterhouse	July*	3.1	3.6	-0.4	8.4	2.8	3.7	0.6	4.2
Chase Manhattan	June	1.8	2.3	0.9	1.3	1.5	2.5	3.0	5.2
Credit Lyonnais	July*	2.3	4.1	1.2	5.6	4.7	-	2.8	7.5
Credit Suisse First Boston	July*	2.3	3.7	0.5	6.0	0.2	3.6	0.5	4.5
Daiwa Europe Ltd/DIR	July*	2.3	3.3	0.3	5.9	4.2	3.5	0.9	5.3
Deutsche Bank	July*	2.6	4.2	1.0	7.2	2.7	4.2	0.0	4.6
Dresdner Kleinwort B	July*	2.1	3.4	1.0	4.8	3.5	3.4	0.8	4.4
Economic Perspectives	July*	1.8	3.8	0.6	4.8	2.0	3.2	1.0	4.5
Goldman Sachs	July*	2.2	3.7	1.3	7.3	0.0	3.9	0.2	4.9
Greenwich Natwest	June	2.1	3.7	1.2	4.8	3.0	3.5	1.0	4.6
Hermes	July*	2.3	3.7	0.7	7.0	3.1	3.9	0.0	4.4
HSBC Econ & Strategy	July*	2.0	3.5	1.0	4.0	3.5	3.3	0.0	3.5
J P Morgan	July*	2.5	3.7	0.5	7.3	3.6	3.9	0.4	5.2
Lehman Brothers	June	2.5	4.1	0.5	4.4	3.8	3.7	0.2	3.5
Lombard St	July*	2.5	3.8	1.2	5.7	4.7	3.8	4.0	7.8
Merrill Lynch	July*	2.2	3.7	1.3	4.5	-	-	3.5	3.5
Morgan Stanley	July*	2.2	3.9	2.0	4.7	2.9	3.8	1.0	5.8
Natwest Group	July*	2.3	3.8	0.4	6.5	2.3	3.6	0.0	3.6
Nikko Europe	May	2.0	3.5	0.9	4.8	2.2	3.0	3.0	6.0
Norwich Union IM	June	2.3	4.0	0.4	4.6	3.5	3.6	2.0	5.3
Panmure Gordon	July*	2.0	3.8	0.6	6.1	4.0	3.8	-1.5	3.4
Salomon Brothers	June	1.8	3.8	-0.1	4.1	4.1	3.4	0.8	5.2
Schroders	July*	2.1	3.8	0.8	4.1	3.9	3.5	1.1	4.7
Societe Generale	June	2.2	3.8	1.0	4.6	2.8	3.5	3.9	6.4
S B C Warburg	June	2.2	3.9	0.8	3.6	-	3.1	2.9	6.5
Williams de Broe	July*	2.3	4.1	1.5	7.2	3.6	4.4	1.0	6.7
Non-City forecasters									
BSL	July*	2.2	3.6	0.2	3.8	3.7	3.2	0.2	3.5
Cambridge Econ	June	2.1	3.5	0.5	3.5	1.7	2.9	2.9	5.9
CBI	July*	2.1	4.0	1.1	4.4	2.3	3.5	1.4	4.9
CEBR	July*	1.6	2.9	1.3	4.8	2.8	3.0	2.1	5.6
DRI	July*	2.1	3.6	2.3	5.2	2.9	3.7	-0.9	4.7
EIU	June	2.0	3.3	1.2	4.2	2.2	3.2	4.6	7.4
Henley	May	2.2	3.6	1.1	3.5	2.7	3.3	3.5	6.4
ITEM Club	June	2.3	4.5	1.2	5.0	-0.3	3.6	3.0	7.5
LBS	May	2.2	3.8	1.3	4.2	2.2	3.4	3.8	7.9
Liverpool Univ	July*	2.1	3.5 c	0.7 d	7.5 e	-	4.0	-	-
NIESR	May	1.9	2.9	1.7	4.8	2.3	2.9	1.3	3.7
OEF	July*	2.3	4.0	0.3	5.3	4.2	3.8	0.2	4.8
WEFA	June	2.4	3.7	1.1	4.0	2.3	3.3	2.6	5.5
EC	May	1.9	3.6	1.6	4.9	2.1 g	3.4	2.8	7.4
OECD	June	1.7	3.3	0.8	5.0	-	3.0	5.0	9.0
IMF	Jan	2.4	3.6	-0.4	5.1	-	3.0	5.2	6.6
Average of Forecasts made in last 3 months									
Independent		2.2	3.7	0.9	5.1	2.8	3.5	1.7	5.4
New (marked *)		2.2	3.7	0.9	5.6	3.0	3.7	1.0	5.0
City		2.2	3.7	0.8	5.3	3.0	3.6	1.3	5.2
Range of Forecasts made in last 3 months									
Highest		3.1	4.5	2.3	8.4	4.7	4.4	5.0	9.0
Lowest		1.6	2.3	-0.4	1.3	-0.3	2.5	-1.5	3.4
HM Treasury	Mar	2-2½	3¼-4	1¼	4¾-5¼	1.2 - 1.5	3¼-3¾	3¼-3½	7½-8

1998

July 1998

Table 2

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts	RPI		Average	Sterling	3- month interest	Oil	Imports	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1998-99)		
City forecasters									
Abn Amro	July*	3.3	2.8	5.0	102.2	7.45	16.0	5.0	7.8
Barclays Bank	July*	3.7	3.2	3.1	99.0	7.70	15.0	5.0	8.0
Barclays Capital	July*	2.9	2.6	4.8	102.0	7.30	-	5.0	6.5
Charterhouse	July*	4.5	3.5	5.3	101.6	8.10	-	5.2	6.1
Chase Manhattan	June	3.6	2.7	4.8	105.0	7.50	-	8.5	6.5
Credit Lyonnais	July*	3.3	2.8	4.8	-	7.25	14.5	-	-
Credit Suisse First Boston	July*	3.0	2.5	4.5	104.5	7.50	-	6.0	9.0
Daiwa Europe Ltd/DIR	July*	3.4	2.6	5.0	102.8	7.75	-	-	-
Deutsche Bank	July*	3.6	3.0	5.0	100.3	7.75	14.1	5.9	9.1
Dresdner Kleinwort B	July*	2.5	2.5	5.0	101.0	6.80	14.5	-	-
Economic Perspectives	July*	3.5	3.1	4.7	104.2	7.25	13.0	5.7	8.5
Goldman Sachs	July*	3.8	3.1	5.1	98.0	7.60	15.2	4.5 jk	6.6 jk
Greenwich Natwest	June	3.0	2.5	4.6	102.0	7.25	15.2	-	-
Hermes	July*	3.2	2.5	4.7	-	7.75	-	-	-
HSBC Econ & Strategy	July*	3.1	2.5	4.8	100.0	7.60	16.0	5.5	7.5
J P Morgan	July*	3.8	3.1	6.0	96.0	8.20	-	-	-
Lehman Brothers	June	3.2	2.7	5.1	99.9	7.67	15.0	6.5	9.0
Lombard St	July*	3.7	3.3	5.5	98.0	8.00	15.0	-	7.5
Merrill Lynch	July*	3.4	3.0	5.1	-	7.75	-	6.0	8.0
Morgan Stanley	July*	3.7	3.3	4.7	101.8	7.50	-	6.4	8.8
Natwest Group	July*	3.0	2.5	4.6	103.0	7.30	14.0	5.5	6.5
Nikko Europe	May	3.0	2.6	4.8	100.0	7.00	-	5.5	8.0
Norwich Union IM	June	3.1	2.7	5.0	102.8	7.25	15.0	7.0	9.0
Panmure Gordon	July*	2.8	2.4	5.1	103.4	7.60	-	5.7	9.2
Salomon Brothers	June	2.6	2.0	5.0	101.0	7.25	16.0	-	-
Schroders	July*	3.2	2.8	5.0	102.0	7.50	-	-	-
Societe Generale	June	-	2.8	4.7	102.0	7.00	15.0	6.5	10.0
S B C Warburg	June	3.1	2.7	4.5	-	7.40	-	5.2	9.8
Williams de Broe	July*	3.0	2.5	4.8	104.9	7.60	14.2	4.3	9.7

Non-City forecasters

BSL	July*	3.5	2.9	4.4	99.4	7.50	15.8	-	-
Cambridge Econ	June	3.4 k	2.4 k	4.9	102.2 k	7.30 ks	15.2	-	-
CBI	July*	2.7	2.4	4.6	99.1	7.00 s	16.4	-	-
CEBR	July*	3.7	3.8	5.0	106.2	7.97	12.7	-	-
DRI	July*	2.7	2.6	4.7	103.5	7.51	14.0	5.9	8.7
EIU	June	3.5	2.8	4.9	100.2	7.30	15.6	-	-
Henley	May	2.3	2.3	4.2	-	6.90	-	6.4	8.8
ITEM Club	June	3.4	2.8	5.2	102.2	7.40	14.5	5.8	7.4
LBS	May	3.1	2.8	4.5	98.9	7.25 s	-	-	-
Liverpool Univ	July*	2.9	2.5	5.3	101.1	7.90	-	-	-
NIESR	May	3.7	2.1	4.3	104.2	7.60	16.1	3.1	11.0
OEF	July*	3.5	2.8	5.0	101.6	7.50	14.1	5.9	9.3
WEFA	June	2.9	2.4	4.8	98.0	7.50	-	-	-
EC	May	2.2	-	4.6	-	-	-	-	-
OECD	June	-	-	-	-	7.20	14.4	-	-
IMF	Jan	-	2.7	4.9i	-	-	19.0	-	-

Average of Forecasts made in last 3 months

Independent		3.2	2.7	4.8	101.4	7.50	14.9	5.7	8.4
New (marked *)		3.3	2.8	4.9	101.5	7.60	14.7	5.5	8.1
City		3.3	2.8	4.9	101.5	7.50	14.9	5.8	8.2

Range of Forecasts made in last 3 months

Highest		4.5	3.8	6.0	106.2	8.20	16.4	8.5	11.0
Lowest		2.2	2.0	3.1	96.0	6.80	12.7	3.1	6.1

HM Treasury	Mar	-	2¾	-	-	-	-	-	-
-------------	-----	---	----	---	---	---	---	---	---

1998

July 1998

Table 3

Other variables

Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts	RPDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf g output	World Trade	Current account (£ bn)	PSNCR (£bn 98-99)	
City forecasters									
Abn Amro	July*	1.9	1.0	1.35	0.2	-0.4	5.4	-6.9	-2.0
Barclays Bank	July*	2.6	1.5	1.40	-	-0.5	-	-10.0	2.0
Barclays Capital	July*	2.7	1.0	1.46	0.2	0.3	-	-7.4	1.0
Charterhouse	July*	3.2	1.9	1.26	-0.1	0.0	-	-10.1	-5.3
Chase Manhattan	June	2.0	0.9	-	0.4	0.2	6.0	-9.0	4.0
Credit Lyonnais	July*	-	-	1.37	0.5	-0.4	5.5	-9.9	-0.3
Credit Suisse First Boston	July*	3.0	1.0	1.40	0.0	-0.5	-	-6.0	-3.5
Daiwa Europe Ltd/DIR	July*	2.1	0.8	1.40	-	-	-	-7.2	2.0
Deutsche Bank	July*	2.7	1.0	1.34	0.1	-0.5	-	-11.5	1.0
Dresdner Kleinwort B	July*	1.6	1.8	1.28	0.2	-0.2	-	-9.6	-2.9
Economic Perspectives	July*	2.4	0.6	1.40	0.4	-0.5	4.0	-10.0	5.0
Goldman Sachs	July*	4.6	1.4	1.43	0.0	-0.6	-	-11.6	2.8
Greenwich Natwest	June	1.6	1.0	1.84 aa	0.0	-0.1	5.2	-5.9	-2.0
Hermes	July*	2.7	0.8	1.45	0.0	-0.5	-	-10.0	1.0
HSBC Econ & Strategy	July*	3.0	1.0	1.30	-0.5	-0.5	4.1	-12.0	-1.0
J P Morgan	July*	2.5	0.8	1.36	-	-0.5	-	-11.9	-5.0
Lehman Brothers	June	2.8	1.3	1.10	0.2	1.0	6.0	-6.3	-2.0
Lombard St	July*	3.0	0.6	1.20	-	-	-	-9.5	-1.0
Merrill Lynch	July*	-	-	1.30	-	0.0	-	-9.0	-1.0
Morgan Stanley	July*	2.0	1.3	1.40	-0.4	-0.5	-	-8.0	-3.0
Natwest Group	July*	1.4	0.9	1.39	0.2	-0.2	6.0	-5.8	4.0
Nikko Europe	May	2.5	0.7	1.30	1.0	1.0	-	-6.0	0.0
Norwich Union IM	June	3.0	1.2	1.30	1.0	0.7	-	-10.0	2.0
Panmure Gordon	July*	2.1	1.1	1.41	-0.9	-0.6	-	-12.0	-5.0
Salomon Brothers	June	2.9	1.2	1.29	0.5	0.3	-	-12.9	-3.0
Schroders	July*	1.8	1.5	1.37	-	-0.3	6.0	-10.3	-4.0
Societe Generale	June	2.5	1.0	1.30	0.1	-0.2	5.0	-8.0	0.0
S B C Warburg	June	2.6	1.0	1.30	-	0.2	-	2.0	-4.0
Williams de Broe	July*	-	1.2	1.42	-0.5	-0.4	6.0	-9.0	2.1
Non-City forecasters									
BSL	July*	2.7	1.5	1.30	-0.4	-0.6	6.6	-10.7	-1.3
Cambridge Econ	June	2.4	1.5	1.40 k	-0.3	-0.5	3.7	-4.2	12.5 k
CBI	July*	3.2	1.5	1.20	0.2	0.3	7.3	-8.8	-0.3
CEBR	July*	1.4	1.7	1.36	-	-0.7	-	-5.7	-1.7
DRI	July*	3.0	1.2	1.38	1.0	0.9	6.6	-9.5	3.0
EIU	June	2.5	0.7	1.32	0.8	0.5	7.1	-2.9	1.3
Henley	May	2.3	0.8	1.44	-	0.3	-	-6.4	3.8
ITEM Club	June	2.3	1.3	1.34	-	0.2	6.6	-6.4	-2.2
LBS	May	3.1	1.5	1.30	-	-0.2	-	-3.9	-1.2
Liverpool Univ	July*	-	-	1.28	-	-	-	-5.8	-9.3
NIESR	May	1.1	1.0	1.30	-	0.4	5.7	-3.3	4.1
OEF	July*	2.6	1.2	1.30	0.3	0.2	7.1	-10.7	-5.3
WEFA	June	2.6	1.3	1.32	0.2	0.3	-	-11.0	-0.8
EC	May	2.7	0.6	1.56	0.8	0.8	7.1	-9.7	-
OECD	June	-	0.5	-	-	1.8	7.6	-1.0 g	-0.8 g
IMF	Jan	-	0.9	-	-	-	-	-1.2 g	-0.6 g
Average of Forecasts made in last 3 months									
Independent		2.5	1.1	1.34	0.2	0.0	5.9	-8.2	-0.7
New (marked *)		2.5	1.2	1.35	0.0	-0.3	5.9	-9.2	-1.0
City		2.5	1.1	1.34	0.1	-0.1	5.4	-8.8	-0.6
Range of Forecasts made in last 3 months									
Highest		4.6	1.9	1.56	1.0	1.8	7.6	2.0	5.0
Lowest		1.1	0.5	1.10	-0.9	-0.7	3.7	-12.9	-9.3
HM Treasury	Mar	2-2½	-	-	-	0-½	7	-6½	2.3

1999

July 1998

Table 4

GDP & its components, at constant prices

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		GDP	Consumers' expenditure	Government expenditure	Fixed investment	Stockbuilding (£bn)	Domestic demand	Exports (goods & services)	Imports
City forecasters									
Abn Amro	July*	1.8	2.3	0.8	4.3	2.9	2.3	4.8	5.7
Barclays Bank	July*	1.2	2.5	1.7	2.0	1.1	2.0	3.0	5.0
Barclays Capital	July*	2.4	2.4	2.4	3.8	2.0	2.5	4.6	4.9
Charterhouse	July*	3.0	2.1	0.8	5.7	1.6	2.3	6.6	5.0
Chase Manhattan	June	1.9	2.9	1.1	1.6	2.0	2.4	2.9	4.4
Credit Lyonnais	July*	1.4	2.7	2.2	2.7	2.1	-	3.8	4.4
Credit Suisse First Boston	July*	1.8	2.5	0.8	2.7	-0.2	2.0	5.8	5.4
Daiwa Europe Ltd/DIR	July*	2.1	2.3	1.7	1.5	3.6	1.9	5.4	4.7
Deutsche Bank	July*	1.7	2.5	1.7	2.7	0.5	1.9	3.0	3.2
Dresdner Kleinwort B	July*	1.1	1.4	2.5	2.9	1.8	1.6	3.9	5.1
Economic Perspectives	July*	1.9	2.0	2.5	5.0	1.0	2.5	1.0	3.0
Goldman Sachs	July*	1.3	2.1	2.2	2.6	-0.5	1.8	4.3	5.4
Greenwich Natwest	June	1.9	2.0	2.1	2.9	1.2	1.9	4.4	4.0
Hermes	July*	1.7	2.3	1.5	3.0	2.4	2.2	3.9	5.3
HSBC Econ & Strategy	July*	1.5	1.5	2.0	1.0	2.0	1.5	2.0	2.0
J P Morgan	July*	0.9	1.9	1.4	4.0	0.6	1.7	2.0	5.1
Lehman Brothers	June	1.9	2.4	1.1	3.1	2.2	2.0	2.6	3.0
Lombard St	July*	2.0	2.7	1.8	0.3	2.0	1.7	6.3	4.9
Merrill Lynch	July*	1.6	1.7	2.2	2.0	-	-	5.0	5.0
Morgan Stanley	July*	1.8	2.2	1.6	3.0	3.1	2.3	3.6	4.0
Natwest Group	July*	1.5	1.7	0.8	1.1	1.5	1.3	4.1	3.3
Nikko Europe	May	2.0	2.4	0.9	4.3	2.4	2.5	4.2	5.2
Norwich Union IM	June	2.2	2.3	1.6	2.6	2.5	2.1	3.2	2.8
Panmure Gordon	July*	1.3	2.3	2.7	2.7	1.9	2.2	1.4	4.2
Salomon Brothers	June	1.3	2.6	2.0	3.3	2.6	2.4	5.0	7.8
Schroders	July*	0.8	1.7	1.6	0.8	2.1	1.2	2.8	3.7
Societe Generale	June	1.5	2.1	2.2	3.6	1.6	2.2	3.3	4.2
S B C Warburg	June	1.8	2.3	0.8	2.6	-	2.1	3.6	4.2
Williams de Broe	July*	1.6	2.5	2.5	2.3	1.7	2.2	2.0	3.6
Non-City forecasters									
BSL	July*	1.7	1.5	1.0	-1.3	1.4	0.5	8.2	4.3
Cambridge Econ	June	1.6	1.6	0.9	0.9	1.0	1.2	3.5	2.9
CBI	July*	2.1	1.9	1.3	2.0	2.5	1.8	3.3	2.3
CEBR	July*	1.8	2.9	2.7	4.4	3.0	3.1	1.3	4.9
DRI	July*	2.5	1.5	3.4	3.4	2.1	2.1	5.5	4.1
EIU	June	1.7	2.1	1.2	3.2	3.2	1.8	5.8	5.9
Henley	May	1.5	2.0	1.3	2.3	1.6	2.3	4.0	4.0
ITEM Club	June	1.5	1.2	1.9	2.3	0.1	2.3	4.4	6.1
LBS	May	1.7	2.2	1.5	3.0	1.3	2.0	3.5	4.2
Liverpool Univ	July*	2.5	2.1 c	3.0 d	2.5 e	-	2.4	-	-
NIESR	May	1.6	1.6	2.7	4.3	1.0	1.8	2.3	2.7
OEF	July*	1.7	2.4	1.2	1.8	4.1	2.0	5.2	5.9
WEFA	June	2.1	2.2	2.3	1.9	1.5	2.0	5.7	5.4
EC	May	2.2	2.5	1.4	4.4	2.0 g	2.6	4.7	5.9
OECD	June	1.8	2.1	1.2	3.5	-	2.2	4.8	5.7
IMF	Jan	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months									
Independent		1.7	2.1	1.7	2.7	1.8	2.0	4.0	4.5
New (marked *)		1.7	2.1	1.9	2.6	1.9	2.0	4.0	4.4
City		1.7	2.2	1.7	2.8	1.8	2.0	3.7	4.4
Range of Forecasts made in last 3 months									
Highest		3.0	2.9	3.4	5.7	4.1	3.1	8.2	7.8
Lowest		0.8	1.2	0.8	-1.3	-0.5	0.5	1.0	2.0
HM Treasury	Mar	1¾-2¼	1¾-2¼	2	2¾-3¼	2.4 - 3.4	2¼-2¾	4½-5	5½-6

1999

July 1998

Table 5

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts	RPI	RPI exc	Average	Sterling	3-month interest	Oil	M0	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1999-00)		
City forecasters									
Abn Amro	July*	3.3	3.2	4.8	95.5	7.45	17.5	3.9	5.2
Barclays Bank	July*	1.6	2.7	4.7	93.0	5.50	15.5	4.0	5.0
Barclays Capital	July*	2.1	2.5	4.4	95.5	6.30	-	4.5	5.7
Charterhouse	July*	2.8	3.1	5.2	97.7	7.90	-	4.5	8.0
Chase Manhattan	June	3.2	2.8	4.4	103.0	6.80	-	8.0	6.0
Credit Lyonnais	July*	2.2	2.5	4.3	-	6.50	16.5	-	-
Credit Suisse First Boston	July*	2.3	2.5	4.3	102.0	6.50	-	5.0	9.0
Daiwa Europe Ltd/DIR	July*	1.9	2.0	4.8	99.4	6.75	-	-	-
Deutsche Bank	July*	2.4	2.8	4.8	91.3	7.00	16.0	5.0	6.5
Dresdner Kleinwort B	July*	2.1	2.4	4.2	99.7	6.20	16.0	-	-
Economic Perspectives	July*	2.5	2.0	3.8	96.0	5.50	15.0	4.5	6.5
Goldman Sachs	July*	3.2	3.0	5.6	94.0	7.50	16.9	5.3 jk	6.2 jk
Greenwich Natwest	June	2.1	2.5	4.3	100.0	6.33	18.0	-	-
Hermes	July*	2.0	2.3	4.3	-	6.75	-	-	-
HSBC Econ & Strategy	July*	1.8	2.3	4.0	93.2	6.40	17.0	6.0	7.0
J P Morgan	July*	2.8	3.4	5.5	88.0	6.40	-	-	-
Lehman Brothers	June	1.6	2.2	4.7	97.2	6.35	17.0	6.0	7.0
Lombard St	July*	4.0	4.1	6.0	90.0	7.40	16.0	-	4.9
Merrill Lynch	July*	2.6	2.9	5.1	-	7.20	-	5.0	7.0
Morgan Stanley	July*	2.6	2.9	4.4	97.5	7.20	-	4.8	8.0
Natwest Group	July*	2.0	2.5	4.2	96.2	6.00	15.0	5.4	5.8
Nikko Europe	May	2.5	2.7	4.5	95.0	6.50	-	5.0	8.0
Norwich Union IM	June	2.0	2.4	4.5	100.6	6.00	17.0	4.0	6.0
Panmure Gordon	July*	2.0	2.2	4.7	95.9	7.00	-	4.5	7.8
Salomon Brothers	June	2.1	2.5	5.0	96.0	6.50	16.0	-	-
Schroders	July*	2.4	2.7	4.6	99.0	6.75	-	-	-
Societe Generale	June	-	2.5	4.4	98.0	6.00	16.0	6.0	9.0
S B C Warburg	June	1.4	2.3	3.9	-	6.30	-	4.5	8.6
Williams de Broe	July*	1.6	2.0	4.3	104.0	6.70	14.5	3.1	12.0

Non-City forecasters

BSL	July*	3.0	2.9	4.3	96.7	7.20	16.9	-	-
Cambridge Econ	June	2.4 k	2.7 k	4.3	96.9 k	6.30 ks	17.1	-	-
CBI	July*	2.2	2.5	4.6	95.0	6.25 s	18.0	-	-
CEBR	July*	2.6	2.6	5.9	101.5	7.00	12.0	-	-
DRI	July*	2.2	2.5	4.5	95.9	6.95	15.5	5.4	6.9
EIU	June	2.9	2.6	4.7	96.5	6.30	16.7	-	-
Henley	May	2.3	2.4	4.0	-	6.40	-	6.2	6.8
ITEM Club	June	2.3	2.5	4.4	97.5	6.80	16.3	4.0	4.2
LBS	May	2.3	2.5	4.3	95.3	6.25	-	-	-
Liverpool Univ	July*	2.2	2.5	4.3	96.0	7.20	-	-	-
NIESR	May	2.7	2.6	3.1	99.6	6.60	17.3	1.8	12.1
OEF	July*	2.4	2.6	5.2	97.1	6.50	15.7	4.1	10.1
WEFA	June	2.3	2.6	4.5	94.0	7.00	-	-	-
EC	May	2.2	-	4.1	-	-	-	-	-
OECD	June	-	-	-	-	5.70	15.2	-	-
IMF	Jan	-	-	-	-	-	-	-	-

Average of Forecasts made in last 3 months

Independent		2.4	2.6	4.6	96.7	6.62	16.2	4.8	7.3
New (marked *)		2.4	2.7	4.7	96.3	6.74	15.9	4.6	7.2
City		2.3	2.6	4.6	96.7	6.61	16.2	4.9	7.2

Range of Forecasts made in last 3 months

Highest		4.0	4.1	6.0	104.0	7.90	18.0	8.0	12.1
Lowest		1.4	2.0	3.1	88.0	5.50	12.0	1.8	4.2

HM Treasury	Mar	-	2½	-	-	-	-	-	-
-------------	-----	---	----	---	---	---	---	---	---

1999

July 1998

Table 6

Other variables

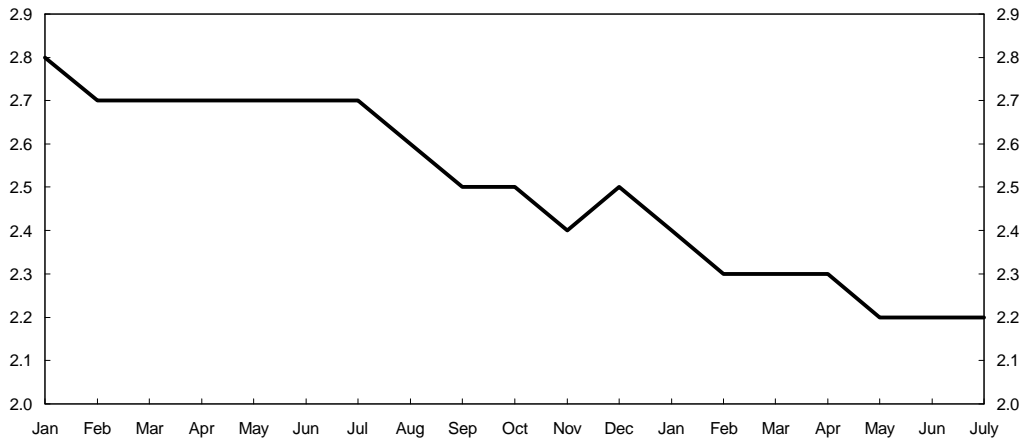
Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts		RPDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf'g output	World Trade	Current account (£ bn)	PSNCR (£ bn 99-00)
City forecasters									
Abn Amro Hoare Govett	July*	2.5	0.2	1.49	0.9	0.4	6.3	-10.2	-1.8
Barclays Bank	July*	2.1	0.0	1.60	-	-0.5	-	-15.0	5.0
Barclays Capital	July*	2.3	0.0	1.44	2.0	2.0	-	-5.4	-1.0
Charterhouse	July*	2.4	0.6	1.29	2.5	2.4	-	-9.5	-7.2
Chase Manhattan	June	1.5	0.5	-	0.4	0.3	6.0	-12.0	0.0
Credit Lyonnais	July*	-	-	1.50	1.8	0.9	6.5	-11.2	1.2
Credit Suisse First Boston	July*	2.8	0.0	1.50	1.0	1.0	-	-6.0	-3.5
Daiwa Europe Ltd/DIR	July*	2.5	-0.7	1.50	-	-	-	-2.0	1.0
Deutsche Bank	July*	2.0	-0.5	1.55	0.7	0.3	-	-12.5	3.0
Dresdner Kleinwort B	July*	1.0	-0.1	1.40	0.1	-0.5	-	-7.9	-0.1
Economic Perspectives	July*	2.0	0.2	1.55	1.4	0.8	2.5	-13.0	12.0
Goldman Sachs	July*	5.0	-0.3	1.58	0.2	-0.2	-	-14.8	7.7
Greenwich Natwest	June	1.5	0.0	1.80 aa	1.4	1.3	5.4	-4.8	0.0
Hermes	July*	1.5	0.0	1.55	1.4	1.0	-	-10.0	3.0
HSBC Econ & Strategy	July*	2.0	0.0	1.40	0.5	0.5	4.5	-12.0	-2.0
J P Morgan	July*	1.5	-0.3	1.68	-	-2.3	-	-14.5	0.0
Lehman Brothers	June	2.5	0.5	1.20	2.1	2.0	7.0	-7.5	-4.0
Lombard St	July*	2.2	0.0	1.50	-	-	-	-12.1	0.0
Merrill Lynch	July*	-	-	1.45	-	1.5	-	-9.0	0.0
Morgan Stanley	July*	1.1	0.2	1.50	0.0	0.2	-	-7.0	-2.0
Natwest Group	July*	2.6	0.6	1.46	1.8	1.7	6.5	-6.6	4.0
Nikko Europe	May	2.0	0.0	1.50	1.8	1.8	-	-8.0	0.0
Norwich Union IM	June	2.0	0.4	1.30	1.5	1.2	-	-5.0	7.0
Panmure Gordon	July*	2.0	-0.4	1.53	-1.6	-1.7	-	-19.0	-6.0
Salomon Brothers	June	2.2	0.4	1.30	0.5	0.3	-	-24.5	-3.0
Schroders	July*	1.9	-0.2	1.50	-	0.1	5.8	-11.8	-3.0
Societe Generale	June	2.0	-0.2	1.45	0.7	0.6	5.5	-10.0	0.0
S B C Warburg	June	2.2	0.2	1.30	-	1.4	-	5.0	-2.0
Williams de Broe	July*	-	-0.6	1.68	0.0	0.1	4.7	-9.4	3.3
Non-City forecasters									
BSL	July*	2.8	0.0	1.40	1.4	1.4	4.2	-3.4	3.6
Cambridge Econ	June	1.8	-0.1	1.50	1.5	1.0	3.6	-8.7	1.8 k
CBI	July*	3.0	0.2	1.26	2.1	2.0	7.1	-5.8	-2.3
CEBR	July*	2.8	0.0	1.52	-	2.0	-	-8.7	1.5
DRI	July*	1.3	0.4	1.62	3.8	4.7	6.0	-8.5	2.4
EIU	June	1.9	0.2	1.43	0.7	0.9	7.2	-6.0	0.5
Henley	May	2.2	-1.0	1.56	-	1.5	-	-8.1	5.5
ITEM Club	June	1.9	-0.1	1.53	-	0.1	7.4	-11.1	-6.3
LBS	May	1.6	0.7	1.27	-	0.3	-	-7.7	-1.7
Liverpool Univ	July*	-	-	1.12	-	-	-	-6.3	-14.5
NIESR	May	1.5	0.8	1.30	-	2.7	6.0	-7.0	4.3
OEF	July*	2.3	-0.3	1.40	1.1	1.4	6.5	-10.2	-0.3
WEFA	June	2.0	0.4	1.35	1.2	1.3	-	-13.8	-3.5
EC	May	2.5	0.5	1.40	1.4	1.2	7.8	-13.8	-
OECD	June	-	0.0	-	-	2.0	7.5	-1.3 g	-0.4
IMF	Jan	-	-	-	-	-	-	-	-
Average of Forecasts made in last 3 months									
Independent		2.1	0.1	1.45	1.1	1.0	5.9	-9.4	0.0
New (marked *)		2.2	0.0	1.48	1.1	0.8	5.5	-9.7	0.1
City		2.1	0.0	1.47	1.0	0.6	5.5	-9.9	0.4
Range of Forecasts made in last 3 months									
Highest		5.0	0.8	1.68	3.8	4.7	7.8	5.0	12.0
Lowest		1.0	-1.0	1.12	-1.6	-2.3	2.5	-24.5	-14.5
HM Treasury	Mar	1¼-1¾	-	-	-	1-1½	7	-6¾	3.1

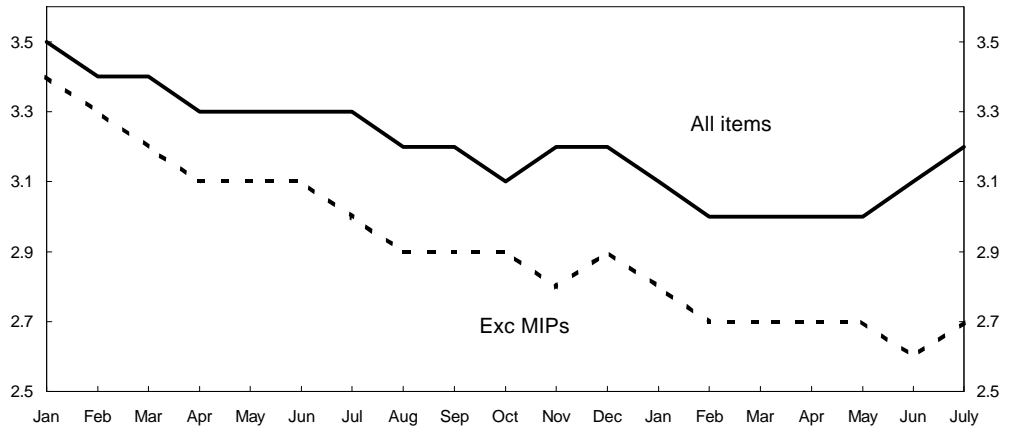
Forecasts for 1998

Independent average, January 1997 - July 1998

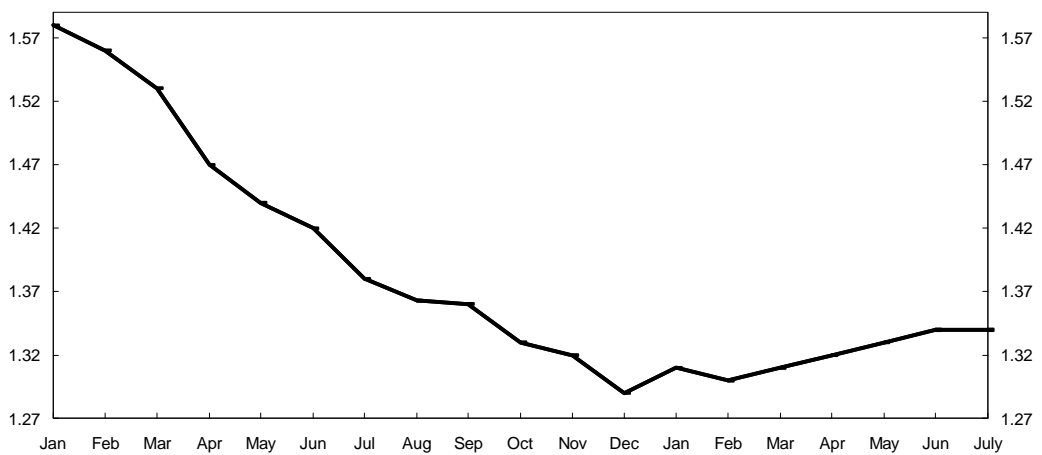
GDP growth
(per cent)



Retail price
inflation
(Q4, per cent)



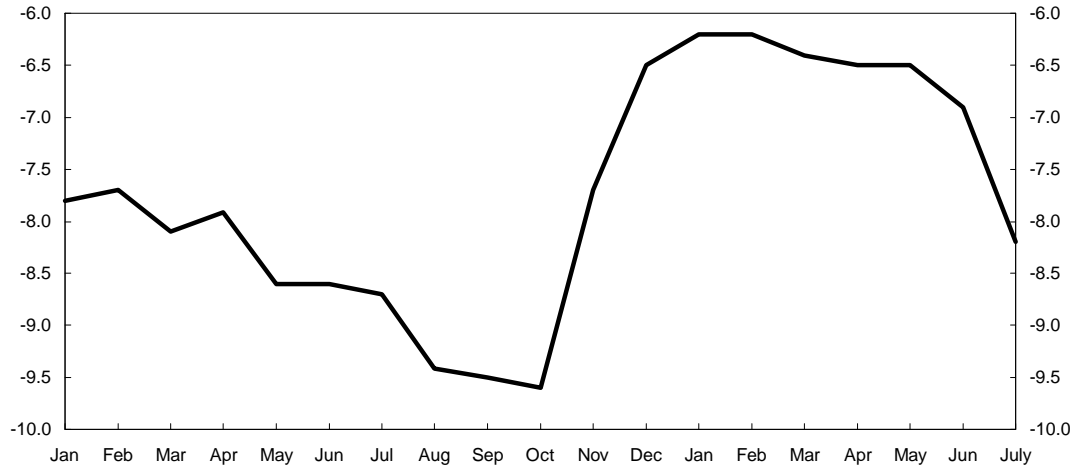
Claimant
unemployment
(Q4, millions)



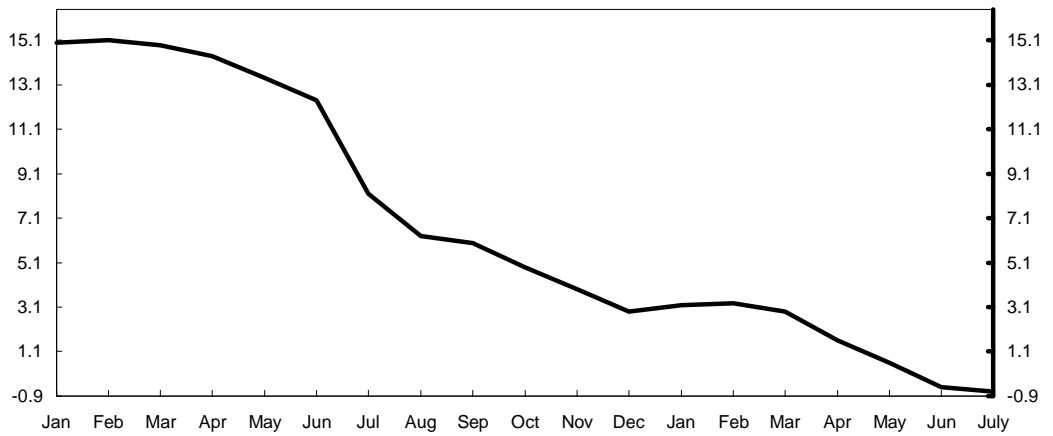
Forecasts for 1998

Independent average, January 1997 - July 1998

Current account
(£ billion)

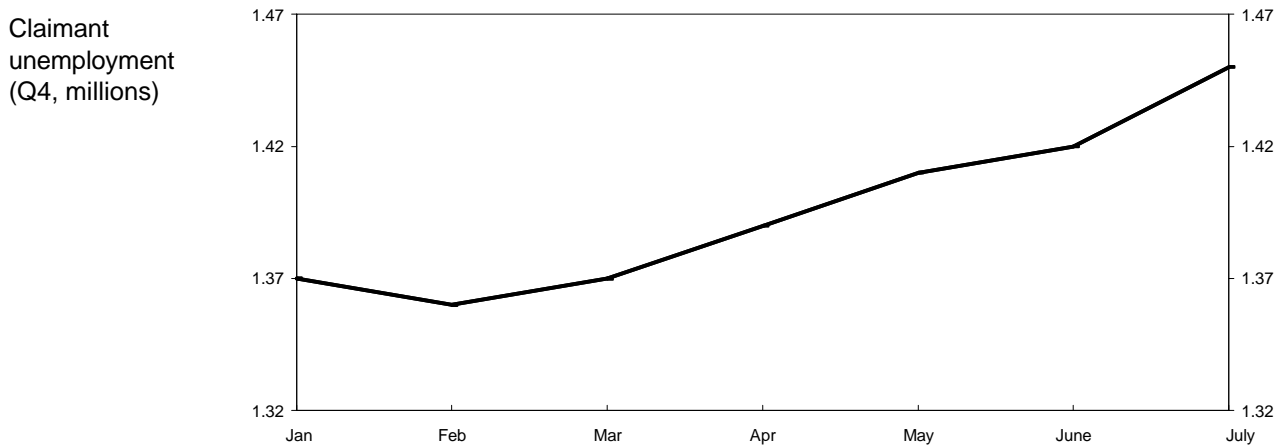
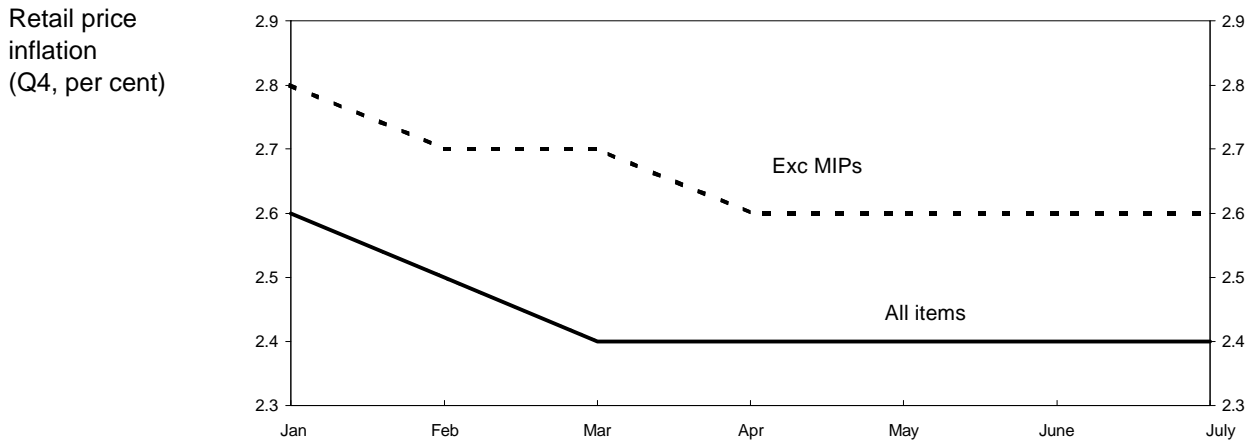
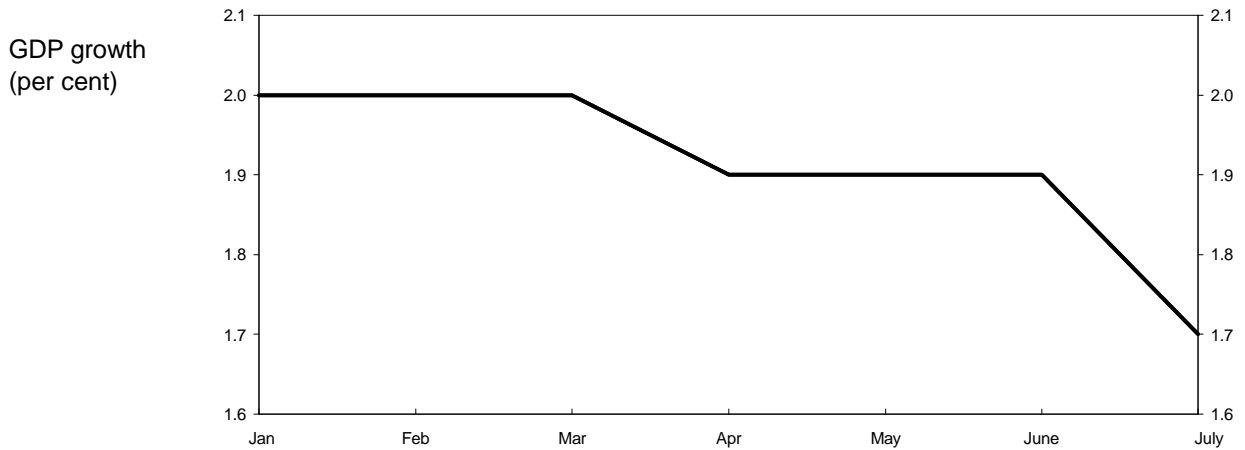


PSNCR 1998-99
(£ billion)



Forecasts for 1999

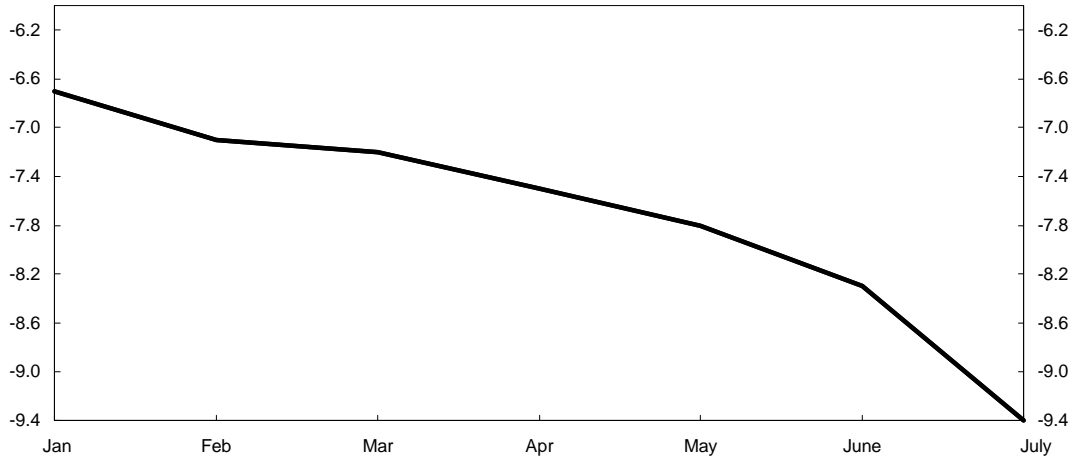
Independent average, January 1998 - July 1998



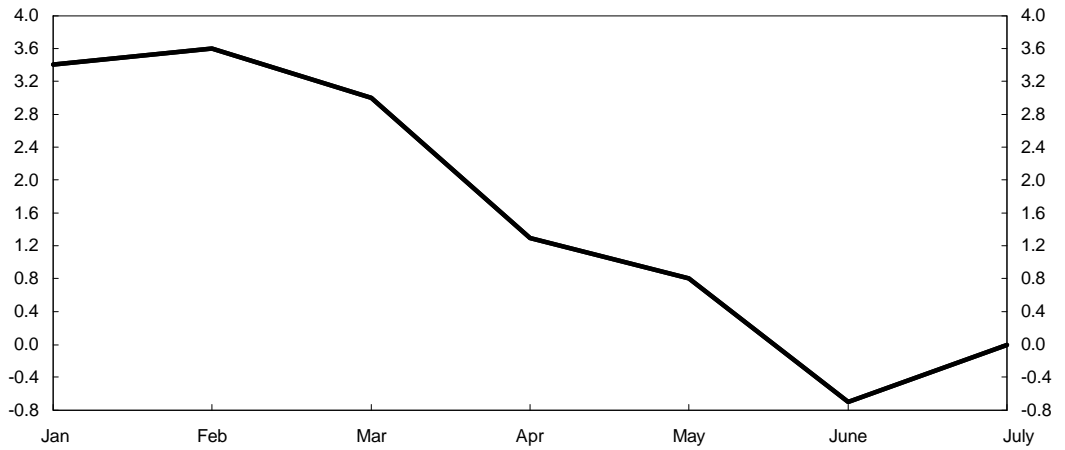
Forecasts for 1999

Independent average, January 1998 - July 1998

Current account
(£ billion)

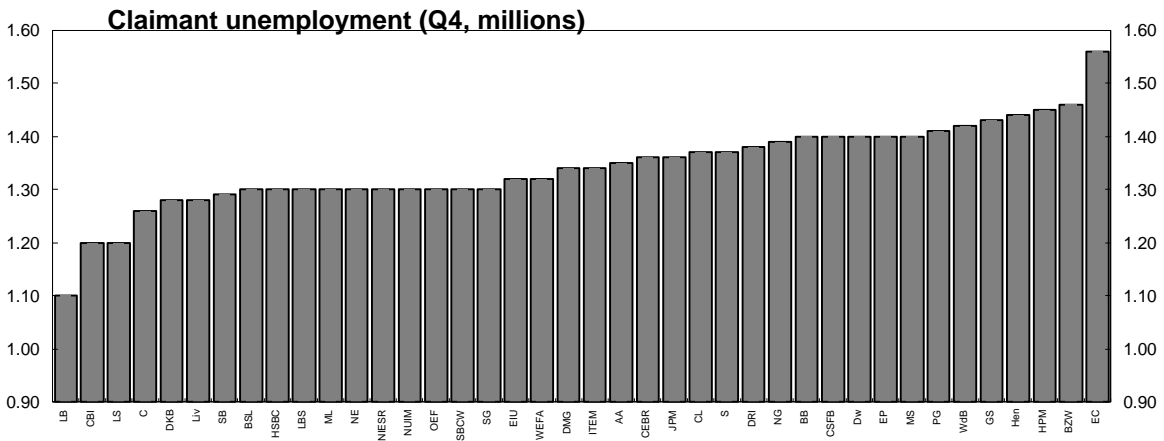
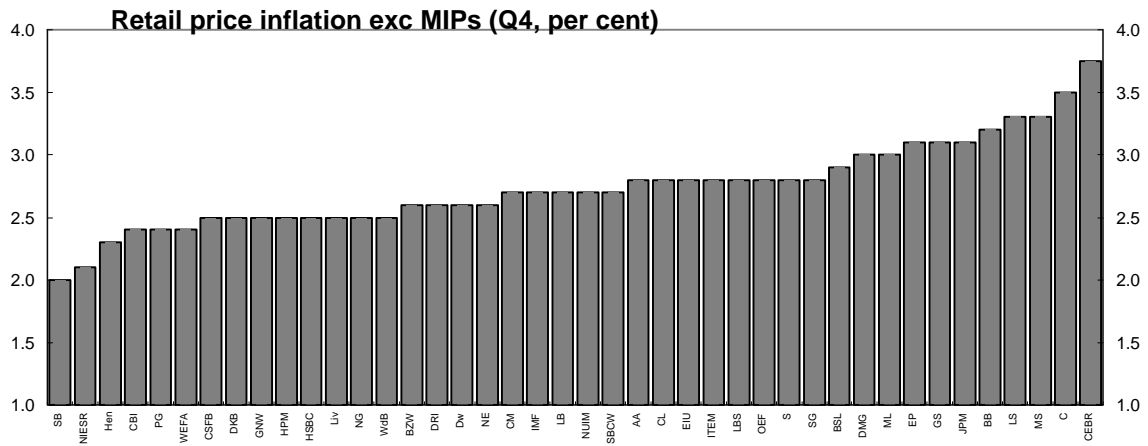
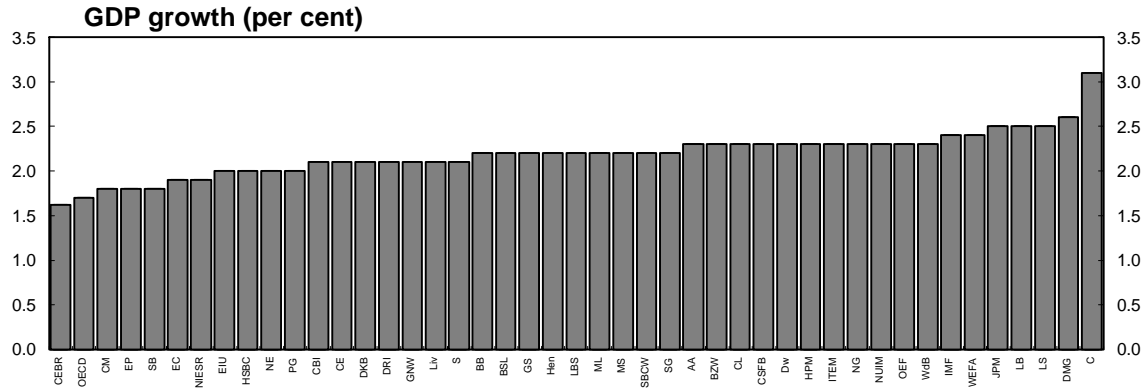


PSNCR 1999-00
(£ billion)



Forecasts for 1998

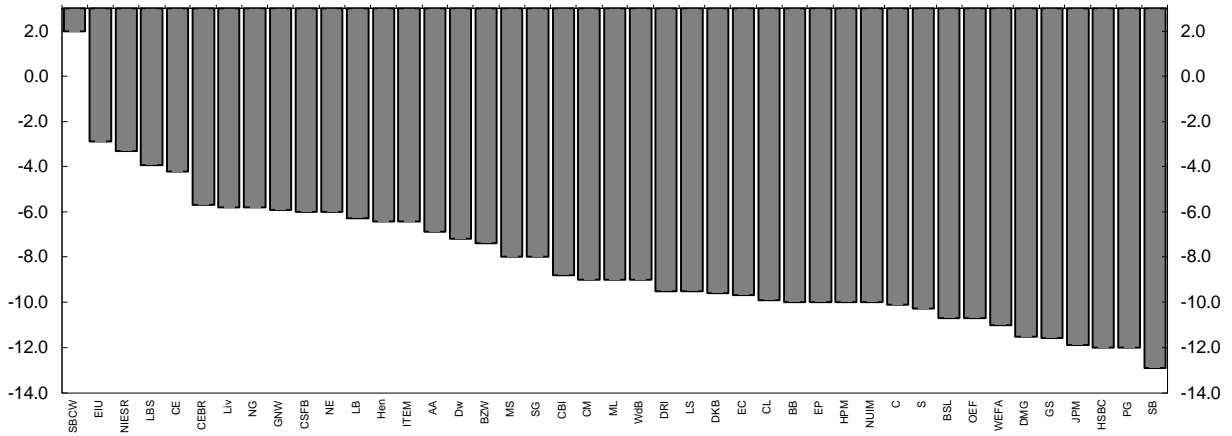
July 1998, range of forecasts (made in last 3 months)



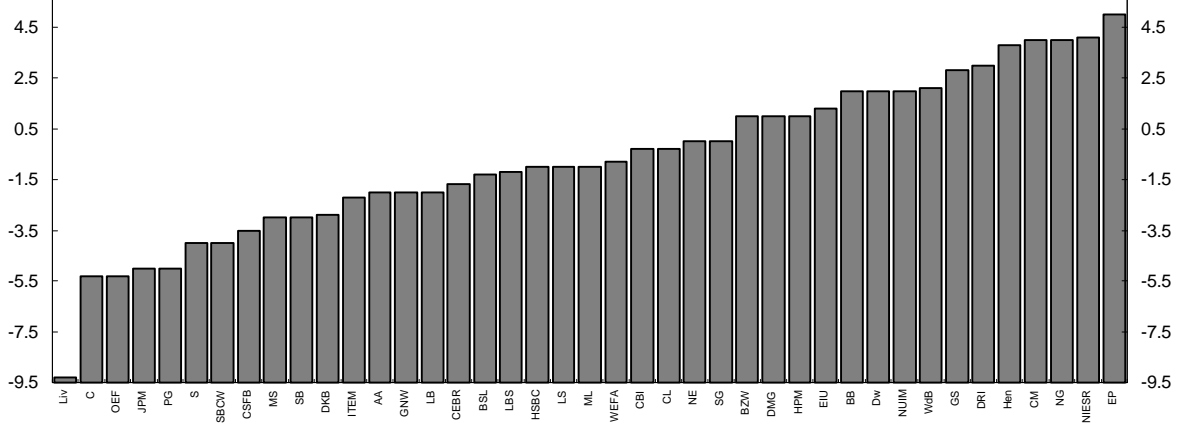
Forecasts for 1998

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

Current account (£ billion)



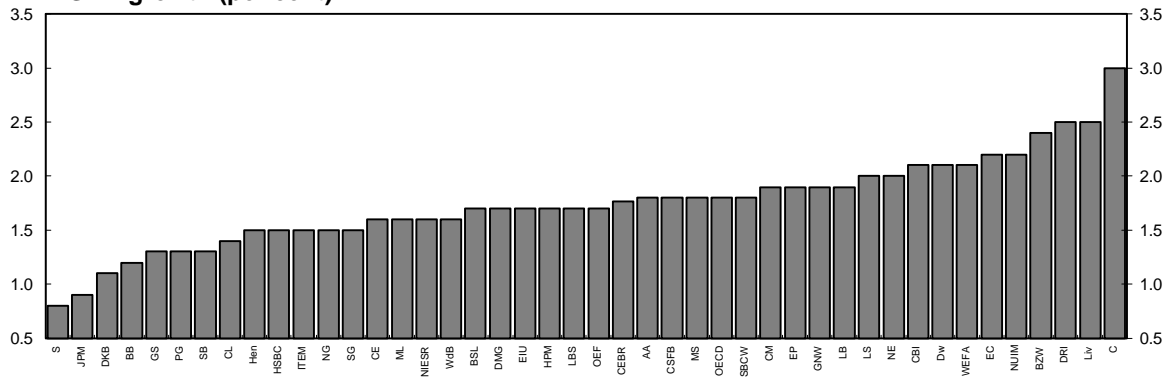
PSNCR (1998 - 99, £ billion)



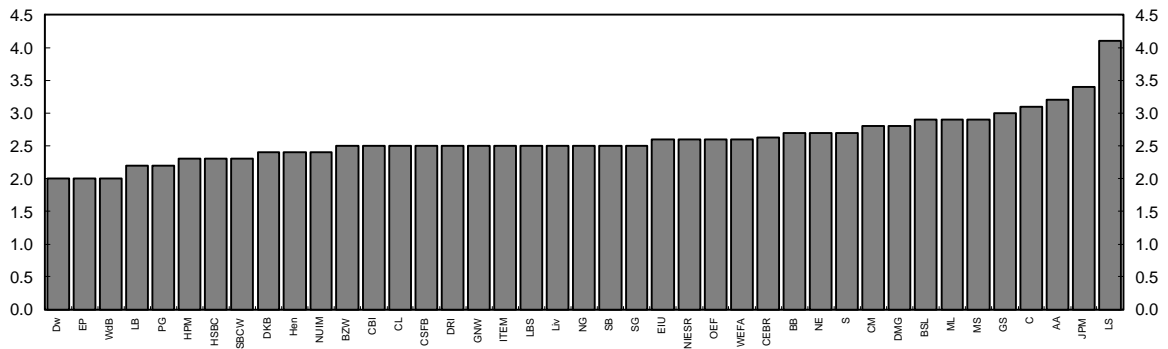
Forecasts for 1999

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

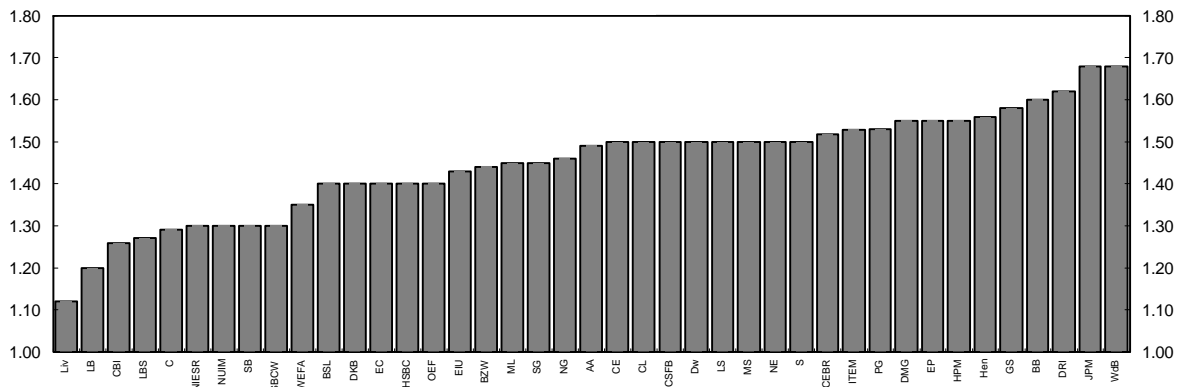
GDP growth (per cent)



Retail price inflation exc MIPs (Q4, per cent)

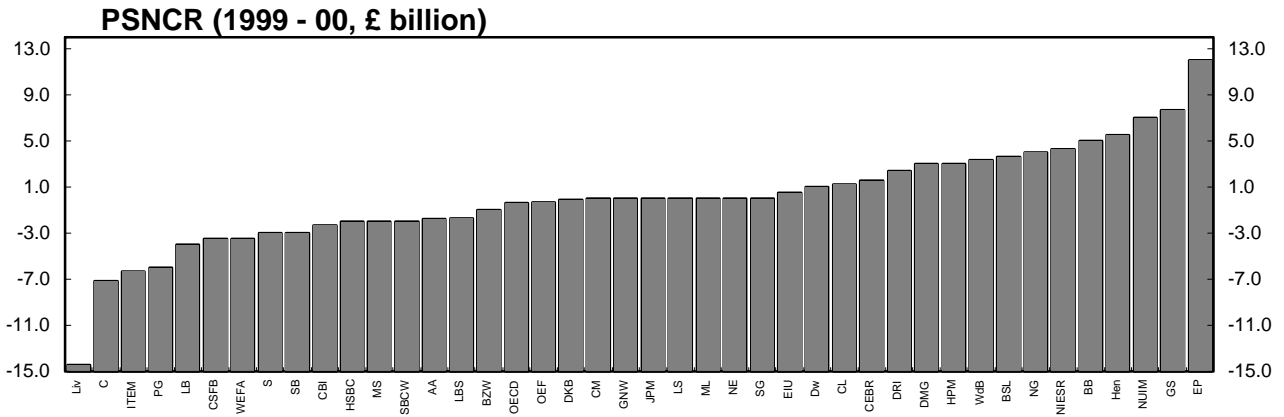
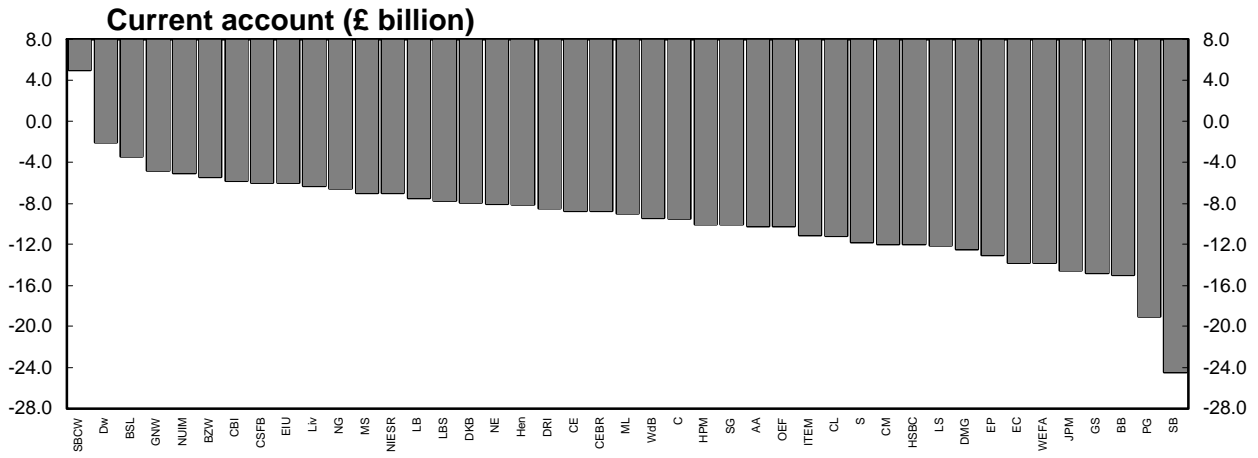


Claimant unemployment (Q4, millions)



Forecasts for 1999

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



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

AA:	Abn Amro
BB:	Barclays Bank
BZW:	Barclays Capital
BSL:	Business Strategies Ltd
CE:	Cambridge Econometrics
C:	Charterhouse
CM:	Chase Manhattan
CBI:	Confederation of British Industry
CEBR:	Centre for Economics and Business Research Ltd
CL:	Credit Lyonnais
CSFB:	Credit Suisse First Boston
DW:	Daiwa Europe Ltd/DIR
DB :	Deutsche Bank
DKB:	Dresdner kleinwort Benson
DRI:	Data Resources Inc. Europe
EC:	European Commission
EIU:	Economist Intelligence Unit
EP:	Economic Perspectives
GNW:	Greenwich Natwest
GS:	Goldman Sachs
Hen:	Henley Forecasting Centre
HSBC:	HSBC Economics and Strategy
HPM:	Hermes Pensions Management Ltd
IMF:	International Monetary Fund
ITEM:	ITEM Club
JPM:	J P Morgan
LB:	Lehman Brothers
Liv:	Liverpool University Research Group in Macroeconomics
LS:	Lombard Street Research Ltd
LBS:	London Business School
ML:	Merrill Lynch
MS:	Morgan Stanley
NIESR:	National Institute for Economic and Social Research
NG:	Natwest Group
NE:	Nikko Europe
NUIM:	Norwich Union Investment Management
PG:	Panmure Gordon
OECD	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
SB:	Saloman Brothers
S:	Schroders
SBCW:	S B C Warburg
SG:	Societe Generale
WEFA:	Wharton Economic Forecasting
WdB:	Williams de Broë

Notation used in tables:

- a: consumers' expenditure deflator
- b: underlying consumers' expenditure deflator
- c: non-durable consumption
- d: current and capital expenditure, including stockbuilding
- e: private sector investment, stockbuilding and durable consumption
- f: investment and stockbuilding combined
- g: as a percentage of GDP
- h: contribution to GDP growth - per cent
- i: hourly rate
- j: end period
- k: calendar year
- m: non-oil trade
- n: wages and salaries divided by employees in employment
- o: consumer price deflator to Q4
- p: calculated from general government financial deficit figures adjusted for privatisation proceeds
- q: forecast growth rates for Q4
- r: various definitions; refer to forecasters for details
- s: base rate
- t: billions of dollars
- u: general government current and capital expenditure plus stockbuilding
- v: average of spot price of Brent crude and Dubai light crude
- w: UK export markets
- x: claimant unemployment rate
- y: derived from the consumer price index
- z: OECD real imports of goods and services
- aa: ILO Unemployment

Contact lists:

Organisation	Contact	Telephone number
Abn Amro	Richard Iley	0171 374 7171
Barclays Bank	Mark Joint	01202 344 112
Barclays Capital	David Hillier	0171 773 4307
BSL	Neil Blake	0171 630 5959
Cambridge Econometrics	Rachel Beaven	01223 460 760
Charterhouse	Richard Jeffrey	0171 246 2472
Chase Manhattan	Adrian Schmidt	0171 777 4033
CBI	Ranjiv Mann	0171 395 8101
	Sudhir Junankar	0171 395 8100
CEBR	Deborah Richards	0171 600 6661
Credit Lyonnais	Glenn Davies	0171 214 5388
Credit Suisse First Boston	Robert Barrie	0171 888 7536
Daiwa Europe Ltd/DIR	Don Eggington	0171 548 8712
Deutsche Morgan Grenfell	Ciaran Barr	0171 545 2088
Dresdner Kleinwort Benson	Leo Doyle	0171 956 8074
DRI	Darren Rawcliffe	0181 545 6225
EC	Keith Vernon	(00 322) 299 3446
EIU	Merli Baroudi	0171 830 1161
Economic Perspectives	Peter Warburton	0171 382 8317
Goldman Sachs	Ann Terry	0171 774 1166
Greenwich Natwest	Geoffrey Dicks	0171 389 3892
Henley Centre	Graeme Leach	0171 353 9961
Hermes Pensions Man. Ltd	James Walsh	0171 680 2144
HSBC	Jonathan Loynes	0171 336 4147
	Roger Bootle	0171 336 3888
ITEM club	John Gaster	0171 931 6678
J P Morgan	David Mackie	0171 325 5040
Lehman Brothers	Mike Dicks	0171 260 2783
Liverpool University	Jon Riley	01222 874 000
Lombard Street Research Ltd	Stewart Robertson	0171 337 2800
London Business School 3797	Paul Robson	0171 262 5050 ext
Merrill Lynch	Ian Stewart	0171 772 1512
Morgan Stanley	Mark Miller	0171 513 6643
NIESR	Garry Young	0171 222 7665
Natwest Group	Elisabeth Hall	0171 726 1912
Nikko Europe	Simon Briscoe	0171 976 7484
Norwich Union IM	Sandra Horne	01603 683680
Panmure Gordon	Stuart Weatherby	0171 860 3659
Oxford Economic Forecasting	Adrian Cooper	01865 202 828
Saloman Brothers	Michael Saunders	0171 721 3924
Schroders	David Philpotts	0171 658 6439
S B C Warburg	Darren Winder	0171 568 4412
Societe Generale	Brian Hilliard	0171 762 5014
WEFA	Dixon Hawkins	0171 631 0757
Williams de Broë	David Smith	0171 588 7511 ext 402