

HM Treasury

FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts

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 10 October 1997. 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, September 1997

This edition of the comparison contains 35 new forecasts. The tables below summarise the average and range of independent forecasts for 1997 and 1998 and show the average of this month's new forecasts.

Forecasts for 1997

	Independent ⁺				Average of new* forecasts
	Averages		September range		
	September	August	Lowest	Highest	
GDP growth (per cent)	3.4	3.4	3.0	4.2	3.4
Inflation rate (Q4: per cent)					
- RPI	3.2	3.1	2.0	4.6	3.2
- RPI exc MIPs	2.5	2.4	1.9	3.7	2.5
Claimant Unemployment (Q4: mn)	1.49	1.49	1.40	1.70	1.49
Current account (£bn)	-2.6	-2.8	-11.8	2.4	-3.0
PSBR (1997-98: £bn)	11.5	12.0	7.0	15.2	11.5

Forecasts for 1998

	Independent ⁺				Average of new* forecasts
	Averages		September range		
	September	August	Lowest	Highest	
GDP growth (per cent)	2.5	2.6	1.7	3.6	2.5
Inflation rate (Q4: per cent)					
- RPI	3.2	3.2	1.7	4.6	3.2
- RPI exc MIPs	2.9	2.9	2.1	4.0	2.9
Claimant Unemployment (Q4: mn)	1.36	1.36	0.96	1.59	1.37
Current account (£bn)	-9.5	-9.4	-17.3	0.2	-9.6
PSBR (1998-99: £bn)	6.0	6.3	0.7	13.0	6.0

⁺ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (September: 35 institutions, August: 33 institutions, July 36 institutions).

* Based on new forecasts received for the comparison this month
Note: All the averages exclude non-standard entries (see footnotes a to z)

		1997					September 1997		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 Hoare Govett	Sept*	3.5	4.5	0.5	5.0	3.0	3.8	6.5	7.6	
Barclays Bank	Sept*	3.5	4.4	0.6	5.6	1.9	3.7	6.2	6.8	
BZW	Sept*	3.2	3.7	1.5	3.6	2.6	3.2	5.6	5.4	
Charterhouse	Sept*	3.9	4.4	1.0	6.5	2.4	4.0	6.2	7.7	
Chase Manhattan	Sept*	3.3	3.8	1.5	4.9	2.3	3.5	5.0	5.6	
Credit Lyonnais	Sept*	3.4	4.0	0.6	5.4	3.4	3.5	6.4	6.6	
Daiwa Europe Ltd/DIR	Aug	3.4	4.2	1.1	5.0	2.3	3.8	4.8	5.4	
D M Grenfell	Sept*	3.7	4.7	1.0	4.4	3.7	4.0	5.8	6.8	
Dresdner Kleinwort B	Sept*	3.4	4.3	0.4	4.8	3.3	3.9	6.3	7.4	
Economic Perspectives	Sept*	3.1	4.1	0.8	4.3	1.2	3.2	5.7	5.5	
Goldman Sachs	Sept*	3.3	4.7	0.6	3.5	3.4	3.8	6.5	7.4	
Hermes	Sept*	3.3	4.4	0.6	3.5	3.0	3.5	5.3	5.7	
HSBC Econ & Strategy	Sept*	3.5	4.5	1.5	4.5	3.2	4.0	5.5	6.5	
James Capel	Sept*	4.2	5.0	1.3	3.9	5.0	4.4	5.5	6.0	
J P Morgan	Sept*	3.8	4.0	0.5	5.1	3.6	3.9	6.8	7.0	
Lehman Brothers	Aug	3.6	4.7	0.8	4.7	1.3	3.7	6.7	6.9	
Lombard St	Sept*	3.8	4.3	1.3	7.0	5.0	4.6	5.5	8.0	
Merrill Lynch	Aug	3.7	4.8	1.5	5.5	-	-	5.7	6.7	
Morgan Stanley	Aug	3.8	5.5	1.1	6.6	4.1	5.0	3.7	8.1	
Natwest Group	Sept*	3.7	4.8	0.7	4.3	3.1	3.9	5.7	6.5	
Natwest Markets	Sept*	3.3	4.5	0.4	3.5	2.5	3.5	6.9	7.0	
Nikko Europe	Sept*	3.1	3.9	0.4	4.1	1.9	3.1	5.7	5.3	
Norwich Union IM	Sept*	3.7	4.4	0.6	6.5	2.1	3.9	5.4	5.8	
Panmure Gordon	Sept*	3.8	4.8	0.8	4.5	3.1	4.0	4.8	5.0	
Salomon Brothers	Sept*	3.3	4.5	0.5	3.9	2.6	3.6	7.2	7.9	
Schroders	Sept*	3.5	4.4	0.7	6.3	2.5	4.0	5.0	6.5	
Societe Generale	Sept*	3.3	4.5	0.3	3.2	2.7	3.4	5.8	6.2	
S B C Warburg	Sept*	3.7	4.6	1.1	5.2	-	3.9	5.9	6.6	
UBS	Sept*	3.1	4.2	0.9	4.2	1.7	3.4	5.4	6.0	
Williams de Broe	Sept*	3.3	4.5	0.8	3.8	3.7	3.8	4.6	5.9	
Non-City forecasters										
BSL	Sept*	3.3	4.5	0.2	4.6	3.0	3.7	5.7	6.5	
Cambridge Econ	Sept*	3.1	4.1	1.4	4.8	1.3	3.6	5.4	7.0	
CBI	Sept*	3.1	4.7	0.3	6.0	3.1	4.1	4.8	6.8	
CEBR	Sept*	3.4	3.8	1.5	8.7	1.0	4.0	5.0	7.1	
DRI	July	3.4	4.3	1.4	5.7	2.6	4.0	5.7	7.3	
EIU	Sept*	3.2	4.9	1.0	6.0	5.0	4.7	6.0	10.4	
Henley	Sept*	3.6	4.3	0.6	5.2	3.0	4.1	5.1	5.5	
ITEM Club	July	3.1	4.0	1.1	6.8	0.6	3.5	5.2	6.1	
LBS	Sept*	3.3	4.5	0.7	5.8	1.9	3.8	5.7	7.6	
Liverpool Univ	Aug	3.2	3.4 c	-1.6 d	8.8 e	-	3.7	-	-	
NIESR	Sept*	3.0	4.0	0.5	4.4	1.4	3.1	5.2	5.2	
OEF	Sept*	3.4	4.4	0.4	5.4	1.7	3.6	5.9	5.9	
WEFA	Aug	3.1	4.2	0.6	4.6	2.4	3.4	6.1	6.9	
EC	June	2.8	4.2	1.2	5.6	0.3	3.8	5.1	8.0	
OECD	July	3.0	3.8	1.1	4.1	-	3.2	6.0	6.6	
IMF	June	3.3	3.9	2.5	8.2	-	4.3	6.6	7.8	
Average of Forecasts made in last 3 months										
Independent		3.4	4.4	0.8	5.0	2.7	3.8	5.7	6.6	
New (marked *)		3.4	4.4	0.8	4.9	2.8	3.8	5.7	6.6	
City		3.5	4.4	0.8	4.8	2.9	3.8	5.7	6.5	
Range of Forecasts made in last 3 months										
Highest		4.2	5.5	1.5	8.7	5.0	5.0	7.2	10.4	
Lowest		3.0	3.7	0.2	3.2	0.6	3.1	3.7	5.0	
HM Treasury	July	3¼	4½	-¼	5	0 g	3¾	6¼	7¼	

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Table 2

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		RPI	RPI exc	Average	Sterling	Interest	Oil	M0	M4
		(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1997-98)	
City forecasters									
Abn Amro Hoare Govett	Sept*	3.9	2.6	4.7	104.7	7.70	19.5	6.5	10.1
Barclays Bank	Sept*	3.6	2.4	4.5	102.0	7.50	18.5	6.0	10.0
BZW	Sept*	3.3	2.6	4.6	100.0	7.25	-	6.0	11.0
Charterhouse	Sept*	4.6	3.7	5.3	96.6	7.90	-	6.2	10.5
Chase Manhattan	Sept*	3.0	2.7	4.5	101.0	7.20	19.0	6.0	10.0
Credit Lyonnais	Sept*	3.4	2.5	4.7	100.0	7.30	19.0	-	-
Daiwa Europe Ltd/DIR	Aug	2.8	2.5	4.5	99.7	7.00	-	-	-
D M Grenfell	Sept*	3.5	2.5	4.4	96.2	7.40	19.2	6.5	10.2
Dresdner Kleinwort B	Sept*	3.3	2.4	4.2	101.0	7.20	18.0	-	-
Economic Perspectives	Sept*	2.2	1.9	4.2	98.0	7.00	19.5	5.8	10.9
Goldman Sachs	Sept*	3.5	2.3	4.7	100.0	7.50	20.1	5.0 j	11.9 j
Hermes	Sept*	3.2	2.7	4.7	-	7.00	-	-	-
HSBC Econ & Strategy	Sept*	3.4	2.4	4.7	101.2	7.30	19.0	6.0	9.5
James Capel	Sept*	3.6	2.7	5.0	106.7	7.40	19.0	6.7	11.7
J P Morgan	Sept*	2.9	2.0	4.75	-	7.75	-	-	-
Lehman Brothers	Aug	3.3	2.5	5.0	100.0	7.50	20.0	6.0	11.0
Lombard St	Sept*	3.3	2.7	4.8	98.0	7.50	19.0	-	-
Merrill Lynch	Aug	3.1	2.6	4.6	-	7.50	-	-	10.5
Morgan Stanley	Aug	3.2	2.7	4.6	106.2	7.50	-	6.5	11.6
Natwest Group	Sept*	3.5	2.6	4.5	102.0	7.30	19.3	6.0	7.0
Natwest Markets	Sept*	3.3	2.4	4.4	106.0	7.00	20.0	6.0	10.9
Nikko Europe	Sept*	2.8	2.4	4.5	100.0	7.20	-	6.0	10.0
Norwich Union IM	Sept*	3.5	2.6	4.5	103.0	7.50	19.0	6.5	10.0
Panmure Gordon	Sept*	3.0	2.5	4.7	102.5	7.50	-	5.8	11.0
Salomon Brothers	Sept*	3.3	2.3	4.3	101.0	7.00	18.0	-	-
Schroders	Sept*	3.6	2.6	4.6	102.0	7.30	20.0	-	-
Societe Generale	Sept*	-	2.8	4.7	100.0	7.50	19.0	6.5	10.5
S B C Warburg	Sept*	3.5	2.6	4.3	-	7.70	-	7.2	11.4
UBS	Sept*	3.5	2.6	4.5	107.1	7.00	17.5	7.8	10.0
Williams de Broe	Sept*	3.2	2.4	4.5	100.4	7.30	19.2	5.5	10.8
Non-City forecasters									
BSL	Sept*	3.2	2.4	4.0	101.0	7.03	17.6	-	-
Cambridge Econ	Sept*	3.0 k	2.6 k	4.7	97.3 k	6.30 ks	18.4	-	-
CBI	Sept*	2.6	2.3	4.3	104.2	7.00 s	19.0	-	-
CEBR	Sept*	2.0	2.4	4.5	99.2	6.80	-	-	10.9
DRI	July	4.0	3.3	4.7	99.4	7.17	18.6	6.8	10.5
EIU	Sept*	3.0	2.7	4.3	99.5	7.50	18.5	-	-
Henley	Sept*	3.2	2.7	4.6	-	7.50	18.6	-	-
ITEM Club	July	3.2	2.5	4.7	94.7	7.00	19.8	7.3	9.4
LBS	Sept*	2.5	2.0	4.4	98.8	7.00	19.2	4.5	13.2
Liverpool Univ	Aug	3.0	2.4	4.5	102.3	7.10	-	-	-
NIESR	Sept*	3.1	2.0	4.8	101.6	7.00	18.7	5.7 k	11.7 k
OEF	Sept*	3.2	2.1	4.2	103.9	7.20	19.1	6.3	9.5
WEFA	Aug	3.2	2.3	4.6	100.1	6.80	19.5	-	-
EC	June	2.2	2.3	4.2 i	98.5	6.30	20.6	-	-
OECD	July	-	-	-	-	6.30 k	19.0	-	-
IMF	June	-	2.6	4.3 i	-	-	19.7	-	-
Average of Forecasts made in last 3 months									
Independent		3.2	2.5	4.6	101.1	7.28	19.0	6.3	10.5
New (marked *)		3.2	2.5	4.6	101.3	7.31	19.0	6.2	10.5
City		3.3	2.5	4.6	101.4	7.36	19.1	6.3	10.4
Range of Forecasts made in last 3 months									
Highest		4.6	3.7	5.3	107.1	7.90	20.1	7.8	13.2
Lowest		2.0	1.9	4.0	94.7	6.80	17.5	4.5	7.0
HM Treasury	July	-	2½	-	-	-	-	-	-

1997

September 1997

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)	PSBR (£bn 97-98)
City forecasters									
Abn Amro Hoare Govett	Sept*	2.8	1.4	1.53	1.3	1.5	8.7	-6.1	12.1
Barclays Bank	Sept*	3.1	1.4	1.50	-	1.8	-	-2.0	11.0
BZW	Sept*	2.5	1.3	1.50	1.0	1.5	-	-2.0	11.2
Charterhouse	Sept*	3.5	1.9	1.40	2.3	2.6	-	-4.9	10.1
Chase Manhattan	Sept*	1.1	1.4	1.40	1.8	2.0	-	-4.0	12.0
Credit Lyonnais	Sept*	-	-	1.55	2.6	1.7	7.0	-6.0	12.7
Daiwa Europe Ltd/DIR	Aug	3.4	1.1	1.50	-	-	-	-2.2	11.0
D M Grenfell	Sept*	2.4	1.5	1.44	1.3	1.4	7.0	-3.2	11.0
Dresdner Kleinwort B	Sept*	2.2	1.9	1.42	0.9	1.0	-	0.9	9.9
Economic Perspectives	Sept*	2.8	0.9	1.45	1.6	1.8	5.5	-4.0	15.0
Goldman Sachs	Sept*	2.5	1.4	1.60	1.0	1.1	-	-0.5	10.8
Hermes	Sept*	3.6	1.0	1.50	-	1.5	-	-1.0	8.0
HSBC Econ & Strategy	Sept*	3.7	1.0	1.50	1.0	1.0	6.5	-4.0	10.0
James Capel	Sept*	3.0	1.4	1.40	2.0	1.5	7.2	-7.0	8.0
J P Morgan	Sept*	3.5	1.5	1.52	2.0	2.0	-	2.0	10.0
Lehman Brothers	Aug	3.5	1.3	1.60	2.0	2.0	6.5	1.0	10.0
Lombard St	Sept*	3.2	1.2	1.50	-	-	-	-11.8	8.6
Merrill Lynch	Aug	-	-	1.40	-	2.2	-	-4.0	11.0
Morgan Stanley	Aug	2.5	2.5	1.50	1.5	2.0	5.2	-5.0	10.0
Natwest Group	Sept*	3.7	1.5	1.51	1.4	1.2	7.0	-2.9	10.3
Natwest Markets	Sept*	2.9	1.4	1.46	1.1	1.3	5.8	0.0	11.4
Nikko Europe	Sept*	3.0	1.3	1.40	-	2.0	-	-2.5	14.0
Norwich Union IM	Sept*	3.4	1.0	1.45	1.8	1.5	-	-5.0	10.0
Panmure Gordon	Sept*	2.4	1.6	1.48	1.3	1.5	-	-2.0	13.0
Salomon Brothers	Sept*	1.7	1.1	1.40	1.0	1.4	-	-1.2	7.0
Schroders	Sept*	2.8	1.3	1.70	1.8	1.6	6.6	-4.7	10.6
Societe Generale	Sept*	3.1	1.0	1.45	2.0	1.5	7.5	0.5	11.0
S B C Warburg	Sept*	3.8	-	1.50	-	1.7	-	-7.0	15.0
UBS	Sept*	2.2	1.2	1.58	1.0	1.2	5.8	-5.1	14.9
Williams de Broe	Sept*	-	1.6	1.51	0.7	1.0	7.7	2.1	12.1
Non-City forecasters									
BSL	Sept*	2.5	1.7	1.43	1.2	1.3	6.3	0.1	15.2
Cambridge Econ	Sept*	3.3	1.6	1.70 k	2.2	2.3	3.4	-4.6	13.3 k
CBI	Sept*	2.5	1.7	1.52	1.1	1.3	5.9	-0.1	12.9
CEBR	Sept*	2.1	1.4	1.47	-	2.2	-	-6.2	11.1
DRI	July	2.3	1.7	1.46	2.0	2.7	7.0	2.3	11.8
EIU	Sept*	3.1	1.5	1.60	2.0	1.8	7.5	-3.5	14.2
Henley	Sept*	-	1.6	1.48	-	1.4	-	-4.7	-
ITEM Club	July	3.1	1.4	1.50	-	2.1	8.0	-2.7	11.9
LBS	Sept*	2.4	1.0	1.49	-	1.4	10.4	2.4	10.8
Liverpool Univ	Aug	-	-	1.45	-	-	-	-1.4	11.8
NIESR	Sept*	2.0	1.4	1.47	-	1.1	8.5	-2.0	13.6
OEF	Sept*	2.9	1.2	1.50	1.1	1.4	10.0	-1.0	12.2
WEFA	Aug	3.2	1.6	1.54	1.2	1.4	7.9 w	-3.1	13.7
EC	June	2.7	1.1	-	1.7	-	-	-0.9 g	-2.9 g
OECD	July	-	1.3	-	-	1.9	8.5	0.2	-
IMF	June	-	0.8	-	-	-	-	-0.9 g	-2.1 g
Average of Forecasts made in last 3 months									
Independent		2.8	1.4	1.49	1.5	1.6	7.1	-2.6	11.5
New (marked *)		2.9	1.4	1.49	1.5	1.5	7.1	-3.0	11.5
City		2.9	1.4	1.49	1.5	1.6	6.7	-3.1	11.1
Range of Forecasts made in last 3 months									
Highest		3.8	2.5	1.70	2.6	2.7	10.4	2.4	15.2
Lowest		1.1	0.9	1.40	0.7	1.0	3.4	-11.8	7.0
HM Treasury	July	3	-	-	-	1½	8	-6	10.9

Forecasters & date of forecasts	1998					September 1997		Table 4	
	GDP & its components, at constant prices								
	Percentage changes on a year earlier unless stated otherwise								
	GDP	Consumers' expenditure	Government expenditure	Fixed investment	Stockbuilding (£bn)	Domestic demand	Exports (goods & services)	Imports	
City forecasters									
Abn Amro Hoare Govett	Sept*	2.4	3.7	0.6	5.5	3.1	3.4	5.0	7.9
Barclays Bank	Sept*	3.0	4.0	0.7	6.3	1.9	3.7	5.4	7.9
BZW	Sept*	2.1	2.7	2.1	3.0	2.4	2.6	3.7	5.0
Charterhouse	Sept*	3.3	3.3	0.7	7.5	1.9	3.4	6.8	8.3
Chase Manhattan	Sept*	2.0	3.0	2.0	3.9	2.0	2.9	3.7	6.1
Credit Lyonnais	Sept*	2.4	3.2	0.9	4.0	4.4	3.2	5.0	7.3
Daiwa Europe Ltd/DIR	Aug	1.8	3.8	1.0	3.5	1.4	3.0	3.4	6.7
D M Grenfell	Sept*	3.0	4.3	2.3	7.3	2.9	4.3	4.3	8.3
Dresdner Kleinwort B	Sept*	1.7	2.4	0.2	5.9	2.6	2.6	1.5	4.3
Economic Perspectives	Sept*	1.9	2.4	1.5	6.0	1.0	2.8	3.2	6.0
Goldman Sachs	Sept*	2.2	4.0	0.5	6.3	2.2	3.5	4.4	7.6
Hermes	Sept*	2.3	3.6	0.9	5.0	2.3	3.2	3.3	6.0
HSBC Econ & Strategy	Sept*	2.5	3.5	1.5	4.5	3.2	3.3	4.5	6.3
James Capel	Sept*	3.5	4.0	1.5	4.4	6.6	3.8	5.0	6.0
J P Morgan	Sept*	2.9	3.8	0.5	5.8	4.6	3.8	5.0	7.5
Lehman Brothers	Aug	3.3	4.6	1.2	5.2	1.8	4.1	3.5	6.5
Lombard St	Sept*	3.6	3.7	1.4	6.3	5.2	3.7	6.4	6.7
Merrill Lynch	Aug	3.3	4.3	1.4	6.5	-	-	5.2	6.5
Morgan Stanley	Aug	3.6	4.3	1.0	6.8	4.4	4.2	6.3	8.0
Natwest Group	Sept*	2.5	3.6	0.8	3.6	2.0	2.8	4.3	5.2
Natwest Markets	Sept*	2.2	3.3	0.2	4.7	1.2	2.8	3.4	5.2
Nikko Europe	Sept*	2.4	3.4	0.6	5.2	1.0	3.0	3.5	5.3
Norwich Union IM	Sept*	2.8	3.5	0.9	7.1	1.9	3.6	4.2	6.7
Panmure Gordon	Sept*	2.7	3.4	1.0	6.0	4.0	3.3	5.0	6.7
Salomon Brothers	Sept*	1.9	3.4	0.0	6.2	1.6	3.1	4.2	7.7
Schroders	Sept*	2.3	3.6	0.5	5.9	2.0	3.3	3.5	6.0
Societe Generale	Sept*	2.8	3.9	-0.2	5.3	2.7	3.3	5.6	7.3
S B C Warburg	Sept*	3.3	4.3	1.2	7.3	-	4.2	5.6	9.1
UBS	Sept*	1.8	2.7	0.6	3.4	-1.7	1.9	4.1	4.3
Williams de Broe	Sept*	2.3	3.7	1.4	5.0	3.5	3.4	2.1	5.9
Non-City forecasters									
BSL	Sept*	2.0	3.2	0.3	2.8	2.3	2.5	3.6	4.7
Cambridge Econ	Sept*	2.6	3.2	1.5	4.5	1.6	3.1	4.6	6.3
CBI	Sept*	2.5	3.9	1.1	4.7	2.1	3.3	3.6	5.4
CEBR	Sept*	2.7	1.7	1.8	9.5	1.2	3.1	4.8	6.1
DRI	July	2.4	2.3	0.9	8.4	2.5	3.1	5.9	7.7
EIU	Sept*	2.1	2.3	1.0	5.8	5.0	2.6	5.3	6.7
Henley	Sept*	2.2	3.6	0.5	5.7	2.9	3.4	3.7	7.0
ITEM Club	July	2.4	3.0	1.0	8.8	0.4	3.7	5.2	8.0
LBS	Sept*	1.9	3.6	0.8	4.2	2.2	3.2	4.1	8.2
Liverpool Univ	Aug	2.1	2.9 c	1.3 d	5.5 e	-	3.4	-	-
NIESR	Sept*	2.0	2.8	0.7	3.1	1.3	2.4	3.3	4.3
OEF	Sept*	2.0	3.4	0.0	4.4	2.0	3.0	3.9	6.5
WEFA	Aug	2.3	3.6	0.1	4.2	1.9	2.9	4.6	6.2
EC	June	2.6	3.3	0.6	6.1	0.3	3.3	5.1	7.2
OECD	July	2.7	3.4	1.0	5.6	-	3.4	5.3	7.4
IMF	June	2.8	2.5	1.7	7.0	-	3.1	6.0	6.9
Average of Forecasts made in last 3 months									
Independent		2.5	3.4	0.9	5.5	2.4	3.2	4.4	6.6
New (marked *)		2.5	3.4	0.9	5.3	2.5	3.2	4.4	6.5
City		2.6	3.6	1.0	5.4	2.6	3.3	4.4	6.6
Range of Forecasts made in last 3 months									
Highest		3.6	4.6	2.3	9.5	6.6	4.3	6.8	9.1
Lowest		1.7	1.7	-0.2	2.8	-1.7	1.9	1.5	4.3
HM Treasury	July	2½	4	-1	6	0 g	¾	5	7¾

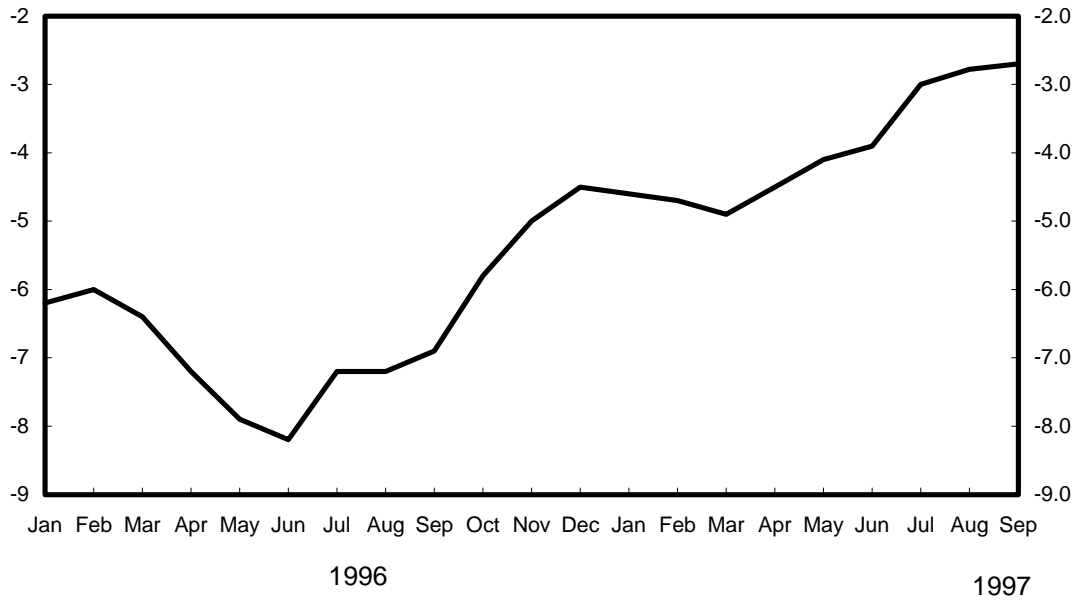
Forecasters & date of forecasts	1998		September 1997		Table 5				
	Inflation and monetary indicators								
	Percentage changes on a year earlier unless stated otherwise								
	RPI	RPI exc	Average	Sterling	Interest	Oil	M0	M4	
	(Q4)	MIPs (Q4)	earnings	index(Q4)	rate(Q4,%)	price (\$)	(1998-99)		
City forecasters									
Abn Amro Hoare Govett	Sept*	3.2	3.0	4.9	99.4	7.05	18.5	6.3	7.0
Barclays Bank	Sept*	3.7	3.0	5.5	95.0	8.00	18.0	5.0	8.0
BZW	Sept*	3.1	3.2	4.8	95.0	7.25	-	5.0	6.5
Charterhouse	Sept*	3.4	3.7	5.0	87.2	8.28	-	4.6	7.6
Chase Manhattan	Sept*	2.6	2.8	4.7	97.0	6.70	20.0	5.0	9.0
Credit Lyonnais	Sept*	3.4	3.0	5.4	96.0	7.50	21.0	-	-
Daiwa Europe Ltd/DIR	Aug	3.5	2.8	5.2	94.0	7.00	-	-	-
D M Grenfell	Sept*	3.5	3.1	5.5	89.7	8.00	18.8	6.3	8.0
Dresdner Kleinwort B	Sept*	3.0	2.9	4.2	95.5	6.60	18.5	-	-
Economic Perspectives	Sept*	2.6	2.3	3.7	94.0	6.25	19.5	5.0	7.5
Goldman Sachs	Sept*	3.9	2.9	5.3	93.0	7.60	21.3	3.5 j	10.2 j
Hermes	Sept*	2.9	2.5	4.5	-	7.00	-	-	-
HSBC Econ & Strategy	Sept*	2.9	2.3	4.5	92.0	7.50	18.0	5.0	8.0
James Capel	Sept*	4.6	4.0	5.5	97.0	8.10	17.0	6.7	9.3
J P Morgan	Sept*	3.0	2.7	5.25	-	8.00	-	-	-
Lehman Brothers	Aug	4.0	3.7	5.5	94.4	8.00	20.0	6.0	8.0
Lombard St	Sept*	4.4	3.8	5.3	90.0	8.75	20.0	-	-
Merrill Lynch	Aug	3.7	3.3	5.4	-	7.75	-	-	-
Morgan Stanley	Aug	4.0	3.7	5.7	94.8	7.80	-	6.3	9.8
Natwest Group	Sept*	2.9	2.7	4.6	95.2	6.68	18.5	5.3	5.9
Natwest Markets	Sept*	2.7	2.6	4.5	91.0	6.75	21.0	6.0	10.0
Nikko Europe	Sept*	3.2	3.0	4.5	95.0	6.90	-	6.0	8.0
Norwich Union IM	Sept*	4.1	3.7	5.5	102.0	6.50	20.0	6.7	9.0
Pannure Gordon	Sept*	2.8	2.5	5.0	99.1	7.30	-	5.2	9.2
Salomon Brothers	Sept*	2.9	2.6	4.6	97.0	7.00	18.0	-	-
Schroders	Sept*	3.5	3.2	4.8	95.0	7.30	20.0	-	-
Societe Generale	Sept*	-	3.2	5.5	92.0	7.10	18.0	7.0	9.5
S B C Warburg	Sept*	3.4	3.2	4.6	-	6.70	-	6.7	10.6
UBS	Sept*	2.9	2.6	4.3	101.3	6.80	18.0	6.2	7.9
Williams de Broe	Sept*	3.6	3.3	5.0	94.7	7.80	19.0	4.6	8.4
Non-City forecasters									
BSL	Sept*	3.0	2.8	4.2	94.5	7.22	16.2	-	-
Cambridge Econ	Sept*	2.9 k	2.5 k	4.5	92.8 k	6.80 ks	19.1	-	-
CBI	Sept*	3.0	2.7	4.6	99.0	7.00 s	18.0	-	-
CEBR	Sept*	2.6	2.7	4.7	100.0	7.40	-	-	7.7
DRI	July	3.2	3.1	5.1	85.0	7.25	17.7	6.2	7.2
EIU	Sept*	3.2	2.9	3.7	97.2	7.25	18.3	-	-
Henley	Sept*	3.1	2.9	4.5	-	7.50	18.5	-	-
ITEM Club	July	3.5	3.0	4.8	92.9	7.10	19.4	7.8	7.9
LBS	Sept*	2.4	2.4	4.9	92.0	6.50	19.3	2.1	12.4
Liverpool Univ	Aug	1.7	2.1	4.5	97.1	6.50	-	-	-
NIESR	Sept*	2.6	2.1	3.4	100.6	6.90	18.4	3.7	8.6
OEF	Sept*	2.7	2.5	4.5	96.0	6.20	19.5	6.5	4.1
WEFA	Aug	3.1	3.0	4.8	98.0	7.80	19.2	-	-
EC	June	2.5	2.5	4.5 i	97.7	6.30	20.2	-	-
OECD	July	-	-	-	-	6.50 k	18.2	-	-
IMF	June	-	2.5	4.9 i	-	-	18.4	-	-
Average of Forecasts made in last 3 months									
Independent		3.2	2.9	4.8	95.1	7.26	18.9	5.6	8.3
New (marked *)		3.2	2.9	4.8	95.4	7.26	18.9	5.5	8.2
City		3.4	3.0	5.0	94.9	7.33	19.2	5.7	8.4
Range of Forecasts made in last 3 months									
Highest		4.6	4.0	5.7	102.0	8.75	21.3	7.8	12.4
Lowest		1.7	2.1	3.4	85.0	6.20	16.2	2.1	4.1
HM Treasury	July	-	2¾	-	-	-	-	-	-

		1998				September 1997		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)	PSBR (£ bn 98-99)
City forecasters									
Abn Amro Hoare Govett	Sept*	1.8	0.8	1.42	1.4	1.1	8.1	-12.4	8.0
Barclays Bank	Sept*	2.2	1.1	1.40	-	1.5	-	-9.0	4.0
BZW	Sept*	2.8	0.6	1.40	1.5	1.5	-	-10.0	7.0
Charterhouse	Sept*	2.9	1.9	0.96	3.8	4.3	-	-11.2	3.6
Chase Manhattan	Sept*	2.0	1.2	1.15	1.5	1.5	-	-9.0	8.0
Credit Lyonnais	Sept*	-	-	1.35	2.3	1.9	8.5	-9.0	7.7
Daiwa Europe Ltd/DIR	Aug	2.8	0.4	1.50	-	-	-	-9.6	7.0
D M Grenfell	Sept*	3.1	1.0	1.31	1.9	1.5	7.5	-15.3	8.0
Dresdner Kleinwort B	July	2.2	1.5	1.34	1.8	1.6	-	-10.5	10.5
Economic Perspectives	Sept*	1.5	0.5	1.40	1.7	0.7	4.0	-9.0	13.0
Goldman Sachs	Sept*	2.4	0.8	1.39	1.1	0.9	-	-10.8	5.7
Hermes	Sept*	2.5	0.8	1.40	-	3.3	-	-11.0	4.0
HSBC Econ & Strategy	Sept*	2.7	0.2	1.40	1.0	1.0	7.0	-10.0	4.0
James Capel	Sept*	3.5	1.7	1.10	1.8	2.0	7.5	-15.0	2.0
J P Morgan	Sept*	3.5	1.5	1.38	2.0	2.0	-	-7.0	4.0
Lehman Brothers	Aug	3.0	1.0	1.40	1.0	1.0	7.5	-10.0	7.0
Lombard St	Sept*	3.2	0.7	1.40	-	-	-	-17.3	1.6
Merrill Lynch	Aug	-	-	1.25	-	2.3	-	-10.0	6.0
Morgan Stanley	Aug	2.6	2.2	1.20	2.8	3.6	8.6	-17.0	2.0
Natwest Group	Sept*	4.1	0.8	1.47	2.0	1.4	7.0	-5.2	6.6
Natwest Markets	Sept*	2.3	-0.1	1.43	0.7	0.5	6.1	-6.1	9.1
Nikko Europe	Sept*	2.8	1.0	1.30	-	2.0	-	-8.0	10.0
Norwich Union IM	Sept*	3.0	1.2	1.35	2.2	1.9	-	-10.0	4.0
Pannure Gordon	Sept*	2.0	1.4	1.29	1.6	1.2	-	-6.0	6.0
Salomon Brothers	Sept*	1.8	0.6	1.10	1.0	1.0	-	-16.3	4.0
Schroders	Sept*	2.3	0.6	1.37	1.5	1.4	5.8	-11.4	6.2
Societe Generale	Sept*	2.7	0.8	1.40	1.8	1.5	8.0	-4.0	5.0
S B C Warburg	Sept*	2.8	-	1.10	-	2.0	-	-12.0	5.0
UBS	Sept*	1.9	0.7	1.59	1.7	1.6	6.7	-8.8	9.5
Williams de Broe	Sept*	-	0.7	1.58	0.9	0.9	4.1	-12.3	8.2
Non-City forecasters									
BSL	Sept*	2.8	1.3	1.42	1.1	1.0	4.1	-5.6	7.8
Cambridge Econ	Sept*	2.7	0.9	1.60 k	1.8	1.7	3.6	-10.8	11.3 k
CBI	Sept*	3.1	1.1	1.52	2.3	2.0	6.6	-6.8	6.8
CEBR	Sept*	1.4	0.9	1.34	-	2.3	-	-4.6	6.9
DRI	July	0.8	1.2	1.29	1.8	2.1	6.5	-3.0	2.0
EIU	Sept*	2.5	0.8	1.50	2.0	2.0	7.6	-8.5	6.1
Henley	Sept*	-	0.4	1.49	-	1.8	-	-8.5	-
ITEM Club	July	2.8	0.6	1.57	-	1.9	8.3	-8.8	8.9
LBS	Sept*	2.0	1.0	1.40	-	2.4	7.4	-10.6	2.3
Liverpool Univ	Aug	-	-	1.26	-	-	-	-11.2	0.7
NIESR	Sept*	1.6	1.6	1.34	-	0.9	5.1	-4.5	4.2
OEF	Sept*	2.1	0.6	1.50	0.8	1.3	8.4	-10.1	7.2
WEFA	Aug	2.7	1.0	1.47	2.1	1.7	6.4w	-10.9	5.2
EC	June	2.7	1.1	-	2.4	-	-	-1.4 g	-1.4 g
OECD	July	-	0.7	-	-	2.3	8.3	0.2	-
IMF	June	-	0.4	-	-	-	-	-1.2 g	-1.5 g
Average of Forecasts made in last 3 months									
Independent		2.5	0.9	1.36	1.7	1.7	6.8	-9.5	6.0
New (marked *)		2.5	0.9	1.37	1.7	1.6	6.5	-9.6	6.0
City		2.6	0.9	1.34	1.7	1.7	6.9	-10.4	6.2
Range of Forecasts made in last 3 months									
Highest		4.1	2.2	1.59	3.8	4.3	8.6	0.2	13.0
Lowest		0.8	-0.1	0.96	0.7	0.5	3.6	-17.3	0.7
HM Treasury	July	1¾	-	-	-	¾	8	-9	4.0

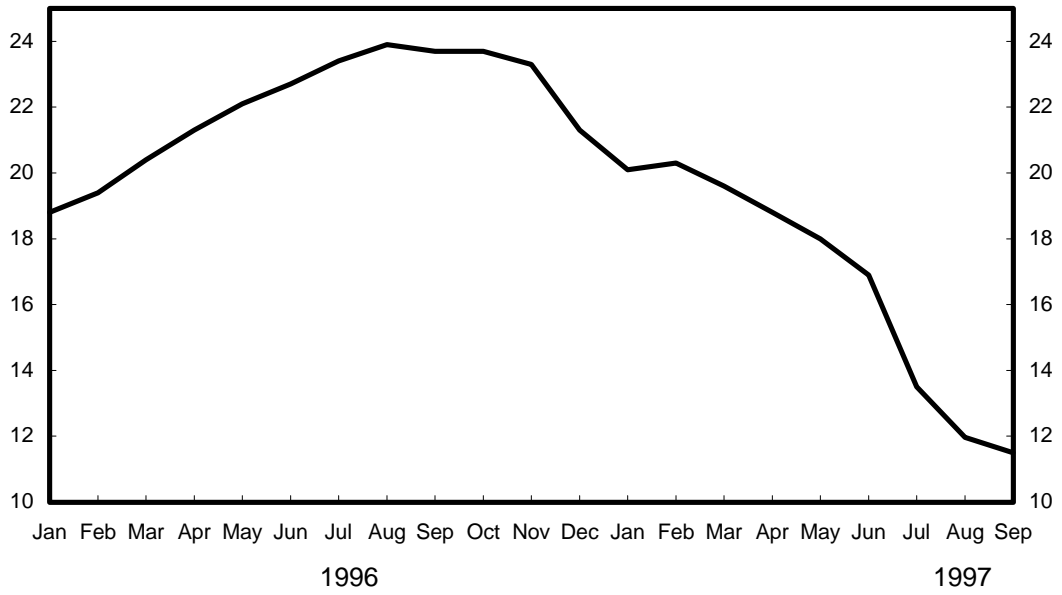
Forecasts for 1997

Independent average, January 1996 - September 1997

Current account
(£ billion)



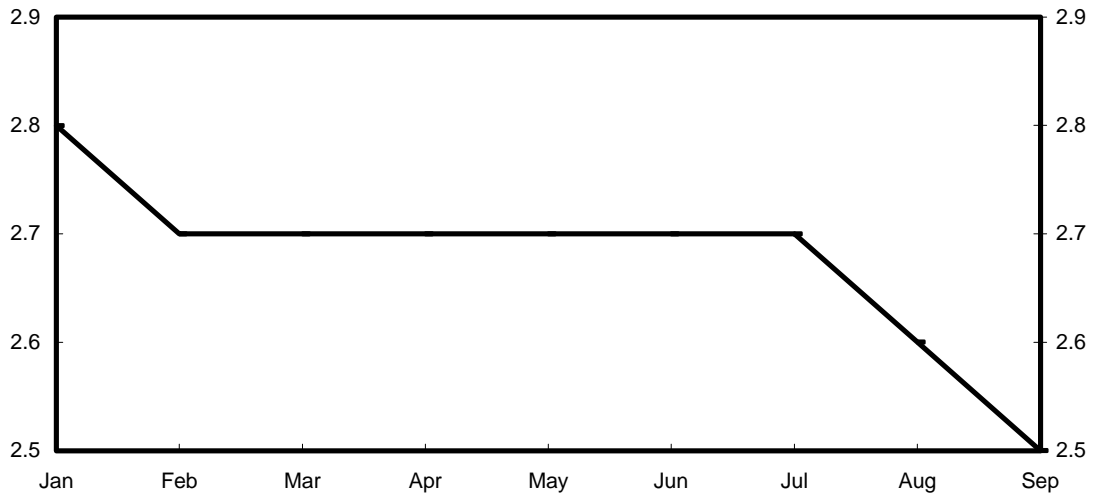
PSBR 1997-98
(£ billion)



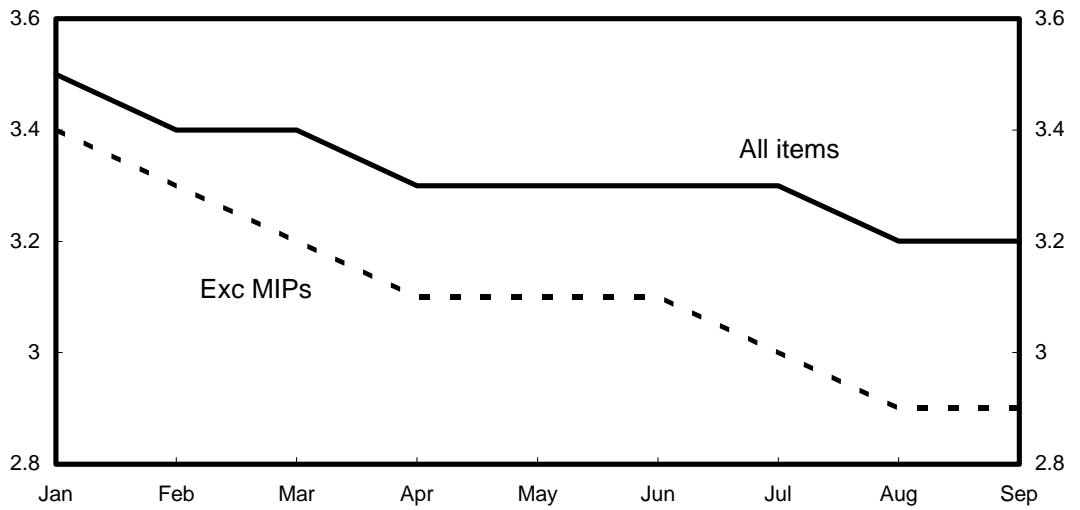
Forecasts for 1998

Independent average, January 1997 - September 1997

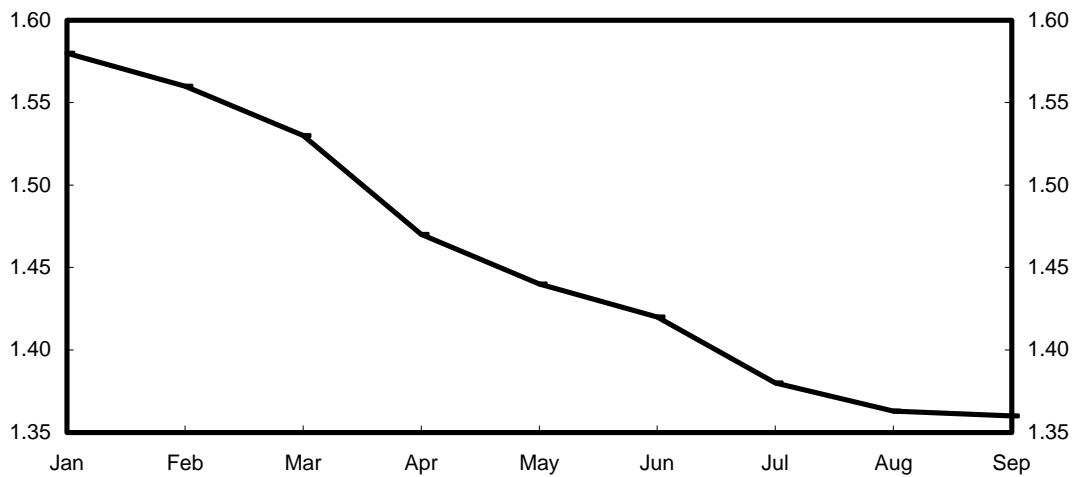
GDP growth
(per cent)



Retail price inflation
(Q4, per cent)



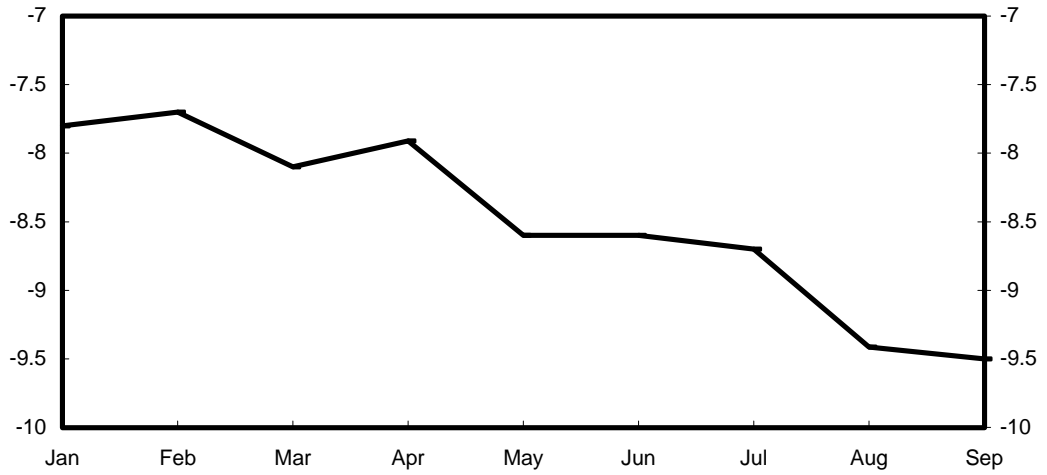
Claimant unemployment
(Q4, millions)



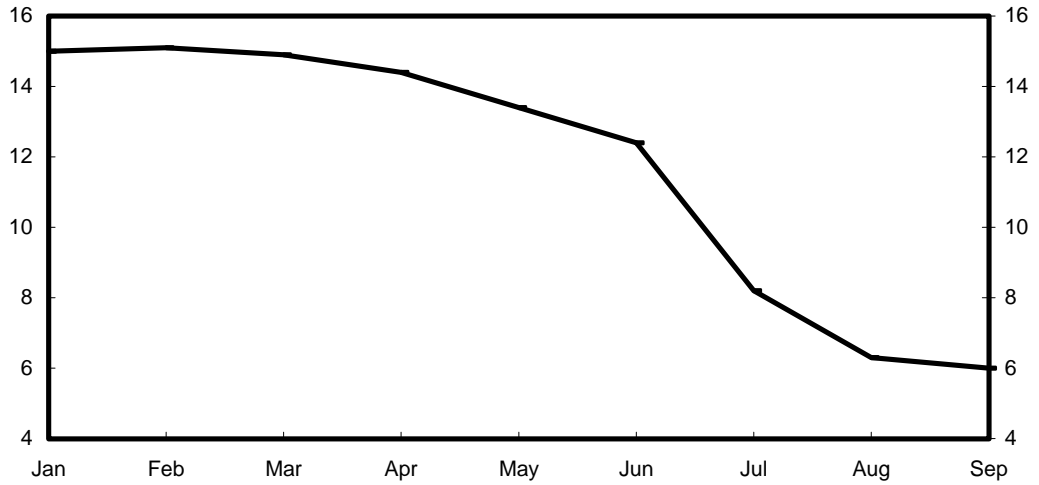
Forecasts for 1998

Independent average, January 1997 - September 1997

Current account
(£ billion)



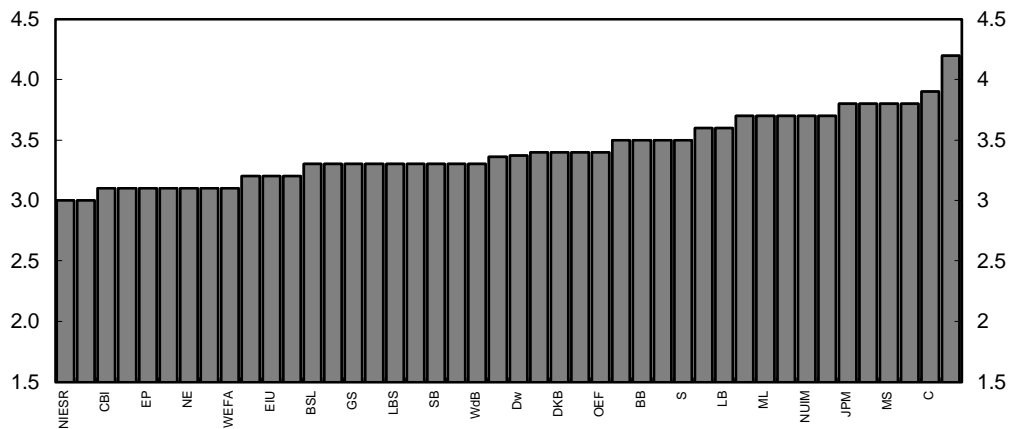
PSBR 1997-98
(£ billion)



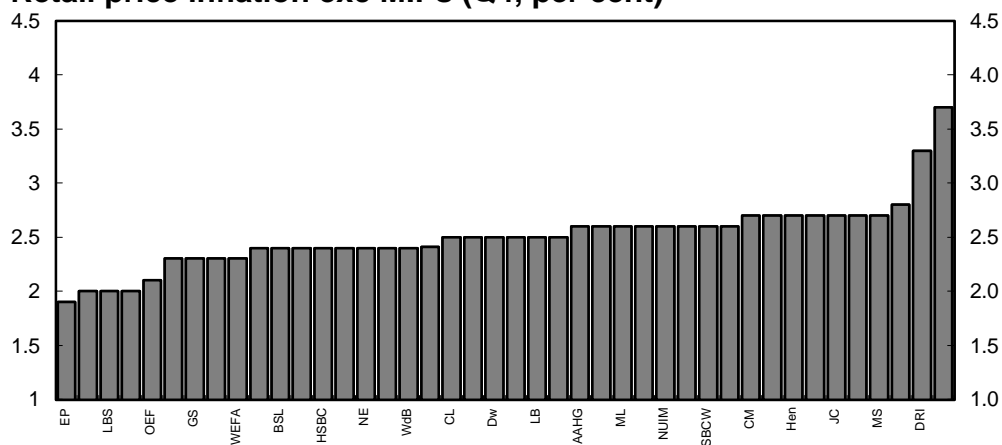
Forecasts for 1997

Range of independent forecasts -

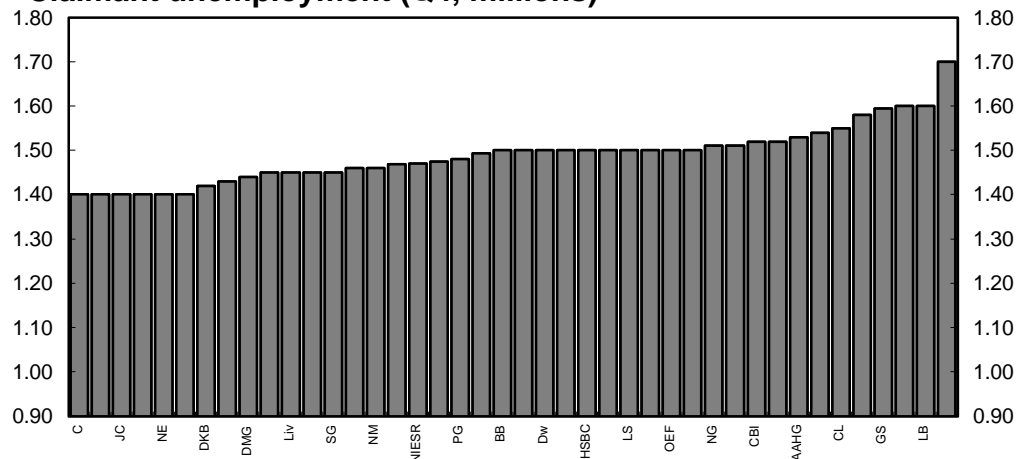
GDP growth (per cent)



Retail price inflation exc MIPs (Q4, per cent)



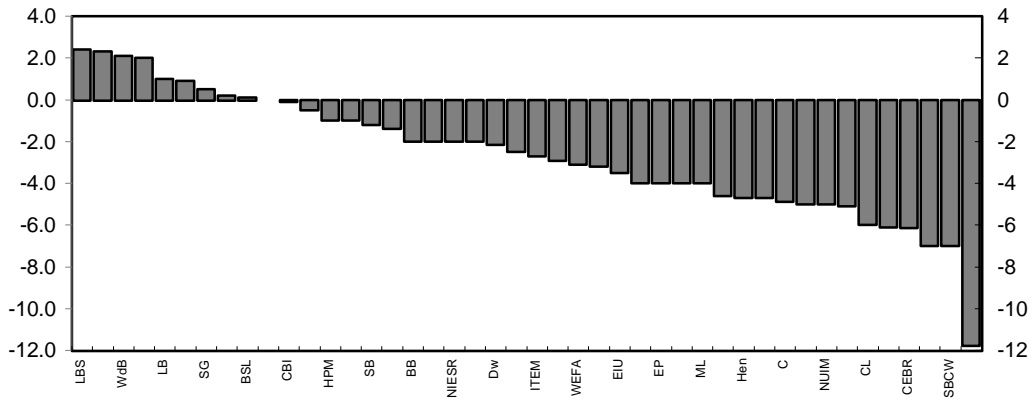
Claimant unemployment (Q4, millions)



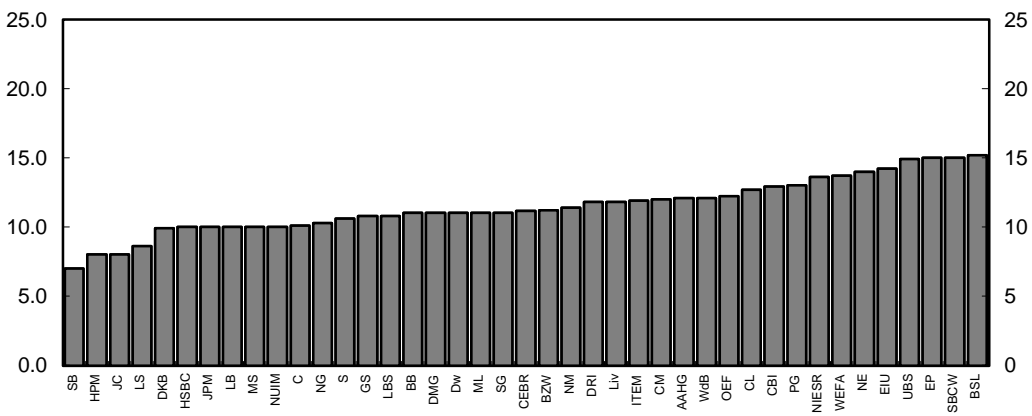
Forecasts for 1997

Range of independent forecasts -

Current account (£ billion)



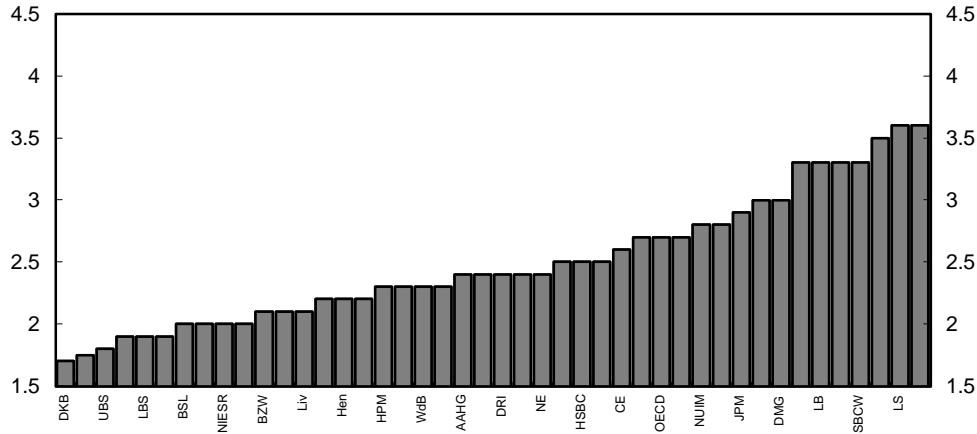
PSBR (1997 - 98, £ billion)



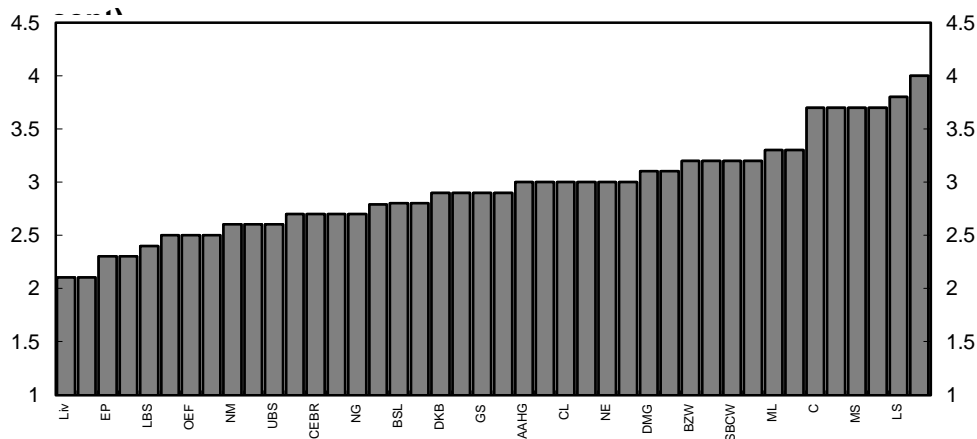
Forecasts for 1998

Range of independent forecasts -

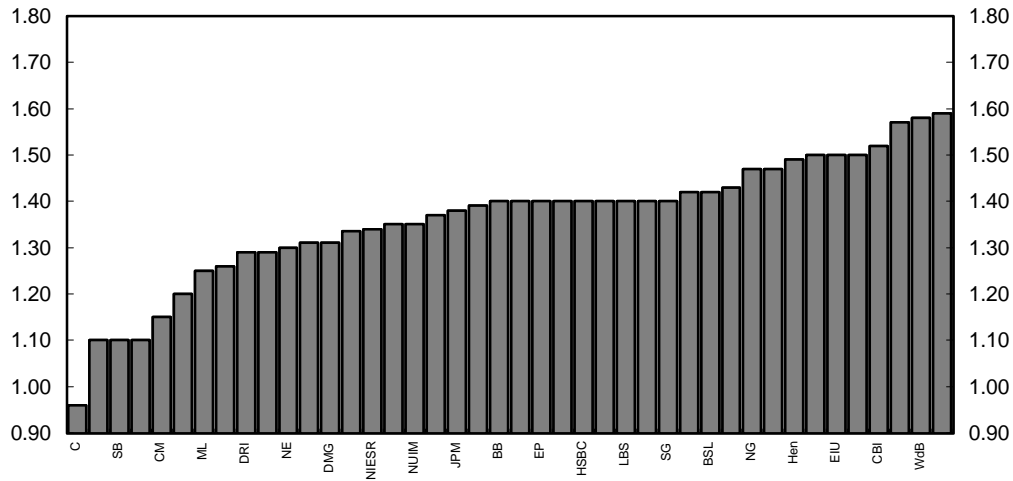
GDP growth (per cent)



Retail price inflation exc MIPs (Q4, per



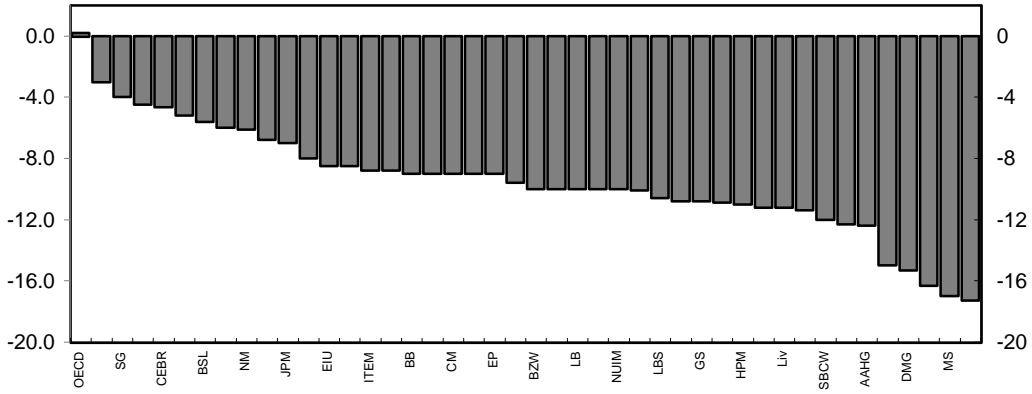
Claimant unemployment (Q4, millions)



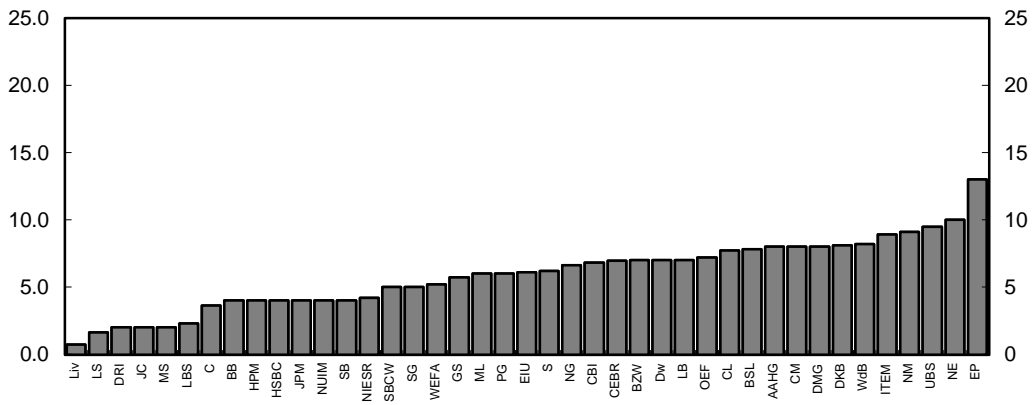
Forecasts for 1998

Range of independent forecasts -
September 1997

Current account (£ billion)



PSBR (1998 - 99, £ billion)



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

AAHG:	Abn Amro Hoare Govett
BB:	Barclays Bank
BZW:	Barclays de Zoëte Wedd
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
Dw:	Daiwa Europe Ltd/DIR
DMG:	Deutsche Morgan Grenfell
DKB:	Dresdner kleinwort Benson
DRI:	Data Resources Inc. Europe
EC:	European Commission
EIU:	Economist Intelligence Unit
EP:	Economic Perspectives
GS:	Goldman Sachs
Hen:	Henley Forecasting Centre
HSBC:	HSBC Economics and Strategy
HPM:	Hermes Pensions Management Ltd
IMF:	International Monetary Fund
ITEM:	ITEM Club
JC:	James Capel
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
NM:	Natwest Markets
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
UBS:	Union Bank of Switzerland
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 (remainder are 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 markets
- x: claimant unemployment rate
- y: derived from the consumer price index
- z: OECD real imports of goods and services

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