

HM Treasury

FORECASTS FOR THE UK ECONOMY

A comparison of independent forecasts

Compiled by
Economic Assessment Team

No. 134
June 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.

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

The next edition will be published on 15 July 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, June 1998

This edition of the comparison contains 34 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		June range		
	June	May	Lowest	Highest	
GDP growth (per cent)	2.2	2.2	1.1	3.0	2.2
Inflation rate (Q4: per cent)					
- RPI	3.1	3.0	1.6	4.5	3.2
- RPI exc MIPs	2.6	2.7	2.0	3.5	2.7
Claimant unemployment (Q4: mn)	1.34	1.33	1.10	1.84	1.33
Current account (£bn)	-6.9	-6.5	-12.9	2.0	-7.2
PSBR (1998-99: £bn)	-0.5	0.6	-7.0	5.0	-0.7

Forecasts for 1999

	Independent ⁺				Average of new* forecasts
	Averages		June range		
	June	May	Lowest	Highest	
GDP growth (per cent)	1.9	1.9	0.9	3.1	1.8
Inflation rate (Q4: per cent)					
- RPI	2.4	2.4	1.4	4.2	2.4
- RPI exc MIPs	2.6	2.6	1.0	4.4	2.6
Claimant unemployment (Q4: mn)	1.42	1.41	1.07	1.80	1.43
Current account (£bn)	-8.3	-7.8	-24.5	5.0	-8.4
PSBR (1999-00 : £bn)	-0.7	0.8	-12.0	12.0	-0.7

⁺Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (June 34 institutions, May 30 institutions, April 26 institutions).

*Based on new forecasts received for the comparison this month

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

1998

June 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	May	2.5	3.8	0.9	5.8	1.7	3.5	3.6	6.9
Barclays Bank	June*	2.2	4.0	1.4	6.5	1.5	3.8	3.2	7.9
Barclays Capital	June*	2.3	3.8	1.4	3.3	2.6	3.3	3.0	6.9
Charterhouse	June*	3.0	3.6	0.4	6.3	2.4	3.5	3.3	6.4
Chase Manhattan	June*	1.8	2.3	0.9	1.3	1.5	2.5	3.0	5.2
Credit Lyonnais	June*	2.3	3.9	1.4	5.7	3.4	-	2.8	7.5
Credit Suisse First Boston	June*	2.3	3.8	0.3	4.0	4.1	3.5	3.1	6.8
Daiwa Europe Ltd/DIR	June*	2.2	3.6	1.2	2.3	1.2	3.2	3.8	5.7
D M Grenfell	June*	2.6	4.3	0.7	5.4	3.6	4.0	1.4	5.3
Dresdner Kleinwort B	June*	1.9	3.4	1.0	4.5	3.3	3.3	0.7	4.6
Economic Perspectives	June*	1.9	3.8	0.6	4.8	2.0	3.2	2.7	6.2
Goldman Sachs	June*	2.1	4.2	1.3	4.3	0.5	3.5	1.8	7.0
Greenwich Natwest	June*	2.1	3.7	1.2	4.8	3.0	3.5	1.0	4.6
Hermes	May	2.3	3.4	1.4	5.0	2.3	3.3	3.8	7.7
HSBC Econ & Strategy	June*	2.0	3.5	1.0	3.5	3.5	3.4	3.0	4.5
J P Morgan	June*	2.2	3.7	0.3	5.4	3.5	3.6	3.2	7.0
Lehman Brothers	June*	2.5	4.1	0.5	4.4	3.8	3.7	0.2	3.5
Lombard St	June*	2.5	3.8	1.2	5.7	4.8	3.8	4.3	7.8
Merrill Lynch	May	2.3	3.8	1.3	4.5	-	-	4.0	5.5
Morgan Stanley	June*	2.0	3.9	2.0	4.2	2.7	3.8	0.6	5.9
Natwest Group	June*	2.2	3.9	0.2	3.9	2.8	3.2	1.0	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	June*	2.0	3.7	0.3	4.1	4.1	3.5	3.0	5.7
Salomon Brothers	June*	1.8	3.8	-0.1	4.1	4.1	3.4	0.8	5.2
Schroders	June*	2.1	3.9	1.0	4.1	2.5	3.4	2.7	7.4
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	June*	2.5	4.4	1.0	5.8	4.2	4.3	3.1	7.8

Non-City forecasters

BSL	June*	2.1	3.7	0.7	2.7	4.1	3.2	0.5	3.7
Cambridge Econ	June*	2.1	3.5	0.5	3.5	1.7	2.9	2.9	5.9
CBI	June*	2.1	4.0	1.1	4.4	2.3	3.5	1.4	4.9
CEBR	Apr	1.1	2.5	1.7	3.8	-1.9	2.3	1.9	6.0
DRI	June*	2.0	2.7	1.9	2.2	2.0	2.4	3.5	5.4
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	Apr	2.4	3.2 c	1.3 d	6.0 e	-	3.8	-	-
NIESR	May	1.9	2.9	1.7	4.8	2.3	2.9	1.3	3.7
OEF	June*	2.2	3.9	0.8	4.4	3.5	3.6	1.9	5.9
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	1.0	4.4	2.6	3.4	2.6	6.1
New (marked *)		2.2	3.7	0.9	4.3	2.8	3.4	2.5	6.1
City		2.2	3.8	0.9	4.5	2.9	3.5	2.6	6.1

Range of Forecasts made in last 3 months

Highest		3.0	4.5	2.0	6.5	4.8	4.3	5.0	9.0
Lowest		1.1	2.3	-0.1	1.3	-1.9	2.3	0.2	3.5

HM Treasury	Mar	2-2½	3¼-4	1¼	4%-5¼	1.2 - 1.5	3¼-3¾	3¼-3½	7½-8
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1998

June 1998

Table 2

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		RPI (Q4)	RPI exc MIPs (Q4)	Average earnings	Sterling index(Q4)	3- month interest rate(Q4,%)	Oil price (\$)	M0 (1998-99)	M4
City forecasters									
Abn Amro	May	3.5	2.9	5.0	96.6	7.45	16.0	4.4	6.9
Barclays Bank	June*	3.6	3.1	4.8	-	7.50	15.5	5.0	8.0
Barclays Capital	June*	2.6	2.4	4.8	102.0	7.10	-	5.0	6.5
Charterhouse	June*	4.5	3.5	5.0	101.6	8.10	-	5.1	7.1
Chase Manhattan	June*	3.6	2.7	4.8	105.0	7.50	-	8.5	6.5
Credit Lyonnais	June*	2.9	2.5	4.8	103.0	7.25	16.0	4.7	7.7
Credit Suisse First Boston	June*	2.8	2.5	4.8	-	7.25	-	6.0	9.0
Daiwa Europe Ltd/DIR	June*	3.2	2.7	4.9	101.0	7.50	-	-	-
D M Grenfell	June*	3.3	2.9	5.3	97.2	7.50	15.5	6.2	7.5
Dresdner Kleinwort B	June*	2.8	2.3	5.0	101.0	6.80	-	-	-
Economic Perspectives	June*	3.4	3.0	4.6	103.2	6.75	15.0	5.7	8.5
Goldman Sachs	June*	3.6	2.7	4.9	95.0	7.60	14.9	4.5 jk	11.0 jk
Greenwich Natwest	June*	3.0	2.5	4.6	102.0	7.25	15.2	-	-
Hermes	May	2.6	2.5	4.7	-	7.00	-	-	-
HSBC Econ & Strategy	June*	2.7	2.3	4.7	100.0	7.40	16.0	5.5	7.5
J P Morgan	June*	3.7	3.0	5.2	100.0	7.50	-	-	-
Lehman Brothers	June*	3.2	2.7	5.1	99.9	7.67	15.0	6.5	9.0
Lombard St	June*	3.8	3.4	5.5	98.0	8.20	15.0	-	7.5
Merrill Lynch	May	3.0	2.8	4.8	-	7.30	-	6.0	8.5
Morgan Stanley	June*	3.4	3.0	4.7	102.8	7.20	-	6.2	8.6
Natwest Group	June*	2.9	2.4	5.0	99.9	7.00	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	June*	2.7	2.3	5.0	101.0	7.50	-	6.5	9.5
Salomon Brothers	June*	2.6	2.0	5.0	101.0	7.25	16.0	-	-
Schroders	June*	3.0	2.7	5.1	101.0	7.00	16.3	5.8	9.0
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	June*	2.7	2.5	4.9	100.9	7.30	14.4	5.0	10.4
Non-City forecasters									
BSL	June*	3.1	2.6	4.1	99.5	7.50	15.8	-	-
Cambridge Econ	June*	3.4 k	2.4 k	4.9	102.2 k	7.30 ks	15.2	-	-
CBI	June*	2.7	2.4	4.6	99.1	7.00 s	16.4	-	-
CEBR	Apr	3.1	3.0	5.0	106.0	6.98	12.7	-	-
DRI	June*	2.6	2.5	4.9	103.2	7.50	15.2	6.2	8.8
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	Apr	1.6	2.0	4.6	99.8	6.40	-	-	-
NIESR	May	3.7	2.1	4.3	104.2	7.60	16.1	3.1	11.0
OEF	June*	3.4	2.7	5.0	101.2	7.50	14.4	5.5	9.6
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		3.1	2.6	4.8	100.8	7.31	15.2	5.7	8.4
New (marked *)		3.2	2.7	4.9	100.8	7.36	15.2	5.9	8.3
City		3.2	2.7	4.9	100.7	7.33	15.3	5.8	8.2
Range of Forecasts made in last 3 months									
Highest		4.5	3.5	5.5	106.0	8.20	16.4	8.5	11.0
Lowest		1.6	2.0	4.1	95.0	6.40	12.7	3.1	6.5
HM Treasury	Mar	-	2%	-	-	-	-	-	-

1998
Other variables

June 1998 Table 3

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	May	2.1	1.0	1.39	0.3	0.1	6.0	-6.7	-0.9
Barclays Bank	June*	2.5	1.5	1.40	-	0.0	-	-5.0	2.0
Barclays Capital	June*	2.7	1.0	1.46	0.2	0.3	-	-7.4	1.0
Charterhouse	June*	3.2	1.7	1.24	0.2	0.5	-	-5.6	-4.2
Chase Manhattan	June*	2.0	0.9	-	0.4	0.2	6.0	-9.0	4.0
Credit Lyonnais	June*	3.1	-	1.37	0.7	0.1	5.7	-9.9	-0.3
Credit Suisse First Boston	June*	3.0	1.0	1.45	0.0	0.0	-	-6.0	3.5
Daiwa Europe Ltd/DIR	June*	2.3	1.0	1.30	-	-	-	-7.0	0.0
D M Grenfell	June*	3.2	1.0	1.32	0.5	0.2	-	-11.0	1.0
Dresdner Kleinwort B	June*	1.8	1.7	1.30	-0.3	-0.4	-	-9.0	-2.1
Economic Perspectives	June*	2.4	0.6	1.40	0.7	0.5	4.0	-10.0	5.0
Goldman Sachs	June*	3.0	1.1	1.37	-0.6	-0.5	-	-8.9	1.2
Greenwich Natwest	June*	1.6	1.0	1.84	0.0	-0.1	5.2	-5.9	-2.0
Hermes	May	2.7	1.2	1.30	-	0.5	-	-10.0	2.0
HSBC Econ & Strategy	June*	3.0	1.2	1.30	0.5	0.5	6.0	-9.0	-2.0
J P Morgan	June*	-	-	1.26	-	-0.5	-	-7.7	-5.0
Lehman Brothers	June*	2.8	1.3	1.10	0.2	1.0	6.0	-6.3	-2.0
Lombard St	June*	3.0	0.6	1.20	-	-	-	-9.5	-3.0
Merrill Lynch	May	-	-	1.25	-	0.6	-	-6.0	0.0
Morgan Stanley	June*	2.3	1.2	1.40	-1.0	-0.7	-	-9.0	-3.0
Natwest Group	June*	3.0	1.2	1.38	0.4	0.4	6.0	-3.5	-0.4
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	June*	3.1	1.0	1.33	-0.9	-0.8	-	-6.0	-7.0
Salomon Brothers	June*	2.9	1.2	1.29	0.5	0.3	-	-12.9	-3.0
Schroders	June*	2.5	1.3	1.32	0.4	0.4	6.0	-9.8	-2.0
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	June*	-	0.6	1.40	0.0	0.2	6.1	-2.9	0.2
Non-City forecasters									
BSL	June*	3.3	1.5	1.26	-0.6	-0.6	6.6	-7.4	0.6
Cambridge Econ	June*	2.4	1.5	1.40 k	-0.3	-0.5	3.7	-4.2	12.5 k
CBI	June*	3.2	1.5	1.20	0.2	0.3	7.3	-8.8	-0.3
CEBR	Apr	-0.2	0.3	1.43	-	-1.6	-	-1.6	-2.6
DRI	June*	1.6	1.5	1.32	0.2	0.5	7.1	-3.0	3.3
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	Apr	-	-	1.26	-	-	-	-5.2	-2.9
NIESR	May	1.1	1.0	1.30	-	0.4	5.7	-3.3	4.1
OEF	June*	2.5	0.9	1.30	0.1	0.2	6.6	-7.7	-3.4
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	0.2	6.1	-6.9	-0.5
New (marked *)		2.6	1.1	1.33	0.1	0.2	6.0	-7.2	-0.7
City		2.6	1.1	1.34	0.2	0.2	5.6	-7.4	-0.7
Range of Forecasts made in last 3 months									
Highest		3.3	1.7	1.84	1.0	1.8	7.6	2.0	5.0
Lowest		-0.2	0.3	1.10	-1.0	-1.6	3.7	-12.9	-7.0
HM Treasury	Mar	2-2½	-	-	-	0-½	7	-6½	2.3

1999

June 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	May	2.1	2.3	1.0	4.7	1.8	2.5	4.9	5.4
Barclays Bank	June*	1.3	2.0	1.8	2.4	0.2	1.8	4.4	4.8
Barclays Capital	June*	2.4	2.4	2.4	3.8	2.0	2.5	4.6	4.9
Charterhouse	June*	3.1	2.1	0.8	5.6	1.6	2.4	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	June*	1.7	2.7	2.0	2.6	0.6	-	3.8	4.4
Credit Suisse First Boston	June*	2.0	2.5	0.8	3.0	1.8	1.9	5.5	5.8
Daiwa Europe Ltd/DIR	June*	2.0	2.1	1.8	2.0	3.1	2.3	6.1	6.0
D M Grenfell	June*	1.9	2.5	1.7	4.1	1.9	2.4	2.9	3.8
Dresdner Kleinwort B	June*	1.3	1.3	2.5	3.0	1.9	1.6	4.0	4.7
Economic Perspectives	June*	1.8	2.0	1.5	5.0	1.0	2.3	3.0	4.2
Goldman Sachs	June*	2.2	3.0	1.8	3.6	0.0	2.6	4.9	5.9
Greenwich Natwest	June*	1.9	2.0	2.1	2.9	1.2	1.9	4.4	4.0
Hermes	May	1.9	2.3	1.7	5.0	1.5	2.5	4.0	5.6
HSBC Econ & Strategy	June*	1.5	1.5	1.5	1.5	2.0	1.4	6.5	4.0
J P Morgan	June*	0.9	1.9	1.1	4.5	-1.4	1.4	3.0	4.7
Lehman Brothers	June*	1.9	2.4	1.1	3.1	2.2	2.0	2.6	3.0
Lombard St	June*	2.0	2.7	1.8	0.3	2.0	1.7	6.3	4.9
Merrill Lynch	May	2.0	2.0	1.5	2.0	-	-	5.5	5.5
Morgan Stanley	June*	1.9	2.3	1.6	4.2	3.2	2.5	3.9	4.0
Natwest Group	June*	1.5	1.5	0.8	1.2	1.9	1.2	4.7	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	June*	2.3	3.1	1.2	4.8	2.2	2.6	7.2	6.7
Salomon Brothers	June*	1.3	2.6	2.0	3.3	2.6	2.4	5.0	7.8
Schroders	June*	1.4	2.1	1.2	3.2	2.0	2.0	2.3	3.8
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	June*	2.2	2.6	1.8	4.4	2.6	2.5	2.7	3.5
Non-City forecasters									
BSL	June*	1.6	1.2	1.2	-0.1	0.1	0.4	8.0	3.8
Cambridge Econ	June*	1.6	1.6	0.9	0.9	1.0	1.2	3.5	2.9
CBI	June*	2.1	1.9	1.3	2.0	2.5	1.8	3.3	2.3
CEBR	Apr	1.0	2.4	2.0	2.4	5.3	2.5	1.1	5.1
DRI	June*	2.4	1.1	2.5	5.6	1.3	2.0	5.3	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	Apr	3.1	2.1 c	2.3 d	4.7 e	-	2.8	-	-
NIESR	May	1.6	1.6	2.7	4.3	1.0	1.8	2.3	2.7
OEF	June*	1.8	2.3	1.9	2.5	2.1	2.0	5.7	6.0
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		1.9	2.1	1.6	3.1	1.7	2.1	4.4	4.7
New (marked *)		1.8	2.1	1.6	3.0	1.6	2.0	4.5	4.6
City		1.9	2.3	1.5	3.3	1.7	2.1	4.3	4.7
Range of Forecasts made in last 3 months									
Highest		3.1	3.1	2.7	5.6	5.3	2.8	8.0	7.8
Lowest		0.9	1.1	0.8	-0.1	-1.4	0.4	1.1	2.3
HM Treasury	Mar	1¾-2¼	1¾-2¼	2	2¾-3¼	2.4 - 3.4	2¼-2¾	4½-5	5½-6

1999

June 1998

Table 5

Inflation and monetary indicators

Percentage changes on a year earlier unless stated otherwise

Forecasters & date of forecasts		RPI (Q4)	RPI exc MIPs (Q4)	Average earnings	Sterling index(Q4)	3- month interest rate(Q4,%)	Oil price (\$)	M0 (1999-00)	M4
City forecasters									
Abn Amro	May	3.5	3.4	4.8	90.7	7.45	17.5	4.9	5.0
Barclays Bank	June*	1.7	2.7	4.5	-	5.50	15.5	4.0	5.0
Barclays Capital	June*	2.2	2.5	4.4	95.5	6.30	-	4.5	5.7
Charterhouse	June*	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	June*	2.2	2.4	4.3	98.0	6.50	18.0	-	-
Credit Suisse First Boston	June*	2.3	2.5	4.5	-	6.00	-	5.0	9.0
Daiwa Europe Ltd/DIR	June*	2.3	2.6	4.9	97.0	6.75	-	-	-
D M Grenfell	June*	2.7	3.0	5.0	92.6	7.00	17.8	5.7	6.8
Dresdner Kleinwort B	June*	2.0	2.4	4.2	99.2	6.20	-	-	-
Economic Perspectives	June*	2.5	2.0	3.8	96.0	5.50	15.0	4.5	6.5
Goldman Sachs	June*	3.3	3.2	5.2	93.0	7.40	16.9	4.0 jk	10.6 jk
Greenwich Natwest	June*	2.1	2.5	4.3	100.0	6.33	18.0	-	-
Hermes	May	2.0	2.3	4.3	-	6.50	-	-	-
HSBC Econ & Strategy	June*	2.0	2.4	4.0	93.2	6.30	17.0	6.0	7.0
J P Morgan	June*	2.5	3.0	4.8	95.0	6.00	-	-	-
Lehman Brothers	June*	1.6	2.2	4.7	97.2	6.35	17.0	6.0	7.0
Lombard St	June*	4.2	4.4	6.0	92.0	7.50	16.5	-	4.9
Merrill Lynch	May	2.6	2.9	5.0	-	6.70	-	5.5	7.0
Morgan Stanley	June*	2.6	2.9	4.4	97.8	7.00	-	4.9	8.2
Natwest Group	June*	2.2	2.5	4.4	95.9	6.15	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	June*	1.8	2.4	4.8	96.5	7.00	-	6.0	8.8
Salomon Brothers	June*	2.1	2.5	5.0	96.0	6.50	16.0	-	-
Schroders	June*	2.3	2.7	5.0	95.0	6.50	17.5	5.0	7.0
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	June*	2.1	2.4	4.4	96.0	6.60	14.7	3.7	11.4

Non-City forecasters

BSL	June*	2.9	2.8	3.9	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	June*	2.2	2.5	4.6	95.0	6.25 s	18.0	-	-
CEBR	Apr	1.6	1.0	4.1	107.2	6.16	12.0	-	-
DRI	June*	2.4	2.5	4.2	97.4	6.97	15.5	3.8	5.8
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	Apr	2.5	2.5	4.4	94.0	6.80	-	-	-
NIESR	May	2.7	2.6	3.1	99.6	6.60	17.3	1.8	12.1
OEF	June*	2.4	2.6	5.2	97.2	6.50	15.8	4.7	9.8
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	4.5	96.6	6.54	16.4	4.9	7.3
New (marked *)		2.4	2.6	4.6	96.5	6.53	16.5	5.0	7.2
City		2.4	2.7	4.6	96.3	6.54	16.6	5.2	7.2

Range of Forecasts made in last 3 months

Highest		4.2	4.4	6.0	107.2	7.90	18.0	8.0	12.1
Lowest		1.4	1.0	3.1	90.7	5.50	12.0	1.8	4.2

HM Treasury	Mar	-	2½	-	-	-	-	-	-
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1999

June 1998

Table 6

Other variables

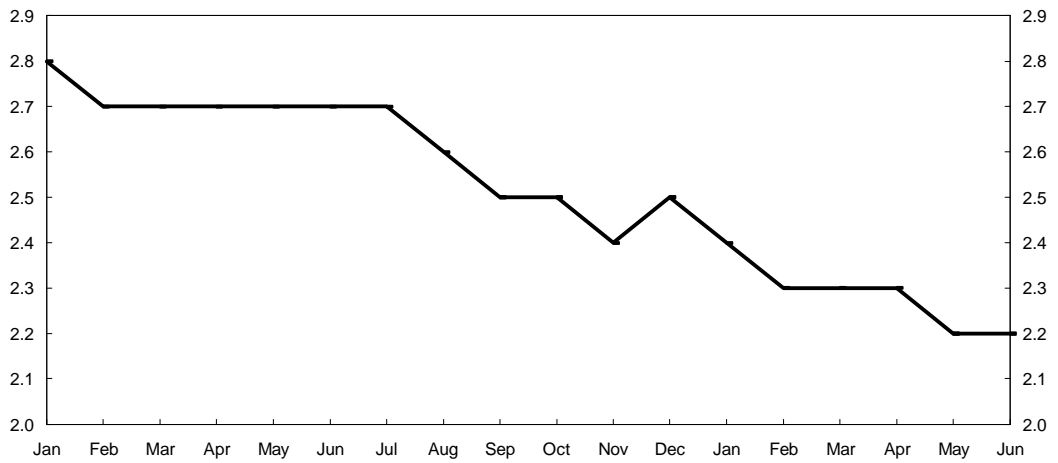
Percentage changes on a year earlier unless stated otherwise

Forecasters & dates of forecasts	RPDI	Employment	Claimant unemp. (Q4-mns)	Industrial production	Manuf'g output	World Trade	Current account (£ bn)	PSBR (£ bn 99-00)	
City forecasters									
Abn Amro Hoare Govett	May	1.8	0.5	1.51	1.8	1.5	6.8	-8.9	-5.0
Barclays Bank	June*	1.8	0.0	1.60	-	1.0	-	-8.0	5.0
Barclays Capital	June*	2.3	0.0	1.44	2.0	2.0	-	-5.4	-1.0
Charterhouse	June*	2.2	0.6	1.27	2.8	2.7	-	-6.0	-6.1
Chase Manhattan	June*	1.5	0.5	-	0.4	0.3	6.0	-12.0	0.0
Credit Lyonnais	June*	2.1	-	1.45	2.2	1.6	6.5	-11.2	1.2
Credit Suisse First Boston	June*	2.8	0.0	1.55	1.0	1.0	-	-6.0	3.5
Daiwa Europe Ltd/DIR	June*	1.9	-0.5	1.40	-	-	-	-8.4	0.0
D M Grenfell	June*	2.0	-0.5	1.40	1.0	0.8	-	-14.5	-1.0
Dresdner Kleinwort B	June*	1.5	-0.2	1.39	1.0	0.7	-	-6.8	1.4
Economic Perspectives	June*	2.0	0.2	1.55	1.8	1.6	4.0	-13.0	12.0
Goldman Sachs	June*	2.9	0.6	1.39	1.2	1.2	-	-11.9	-2.2
Greenwich Natwest	June*	1.5	0.0	1.80	1.4	1.3	5.4	-4.8	0.0
Hermes	May	1.5	0.2	1.35	-	2.5	-	-10.0	3.0
HSBC Econ & Strategy	June*	1.5	0.1	1.40	1.0	1.0	6.0	-9.0	-5.0
J P Morgan	June*	-	-	1.66	-	-0.8	-	-12.7	0.0
Lehman Brothers	June*	2.5	0.5	1.20	2.1	2.0	7.0	-7.5	-4.0
Lombard St	June*	2.2	0.0	1.50	-	-	-	-12.1	-2.0
Merrill Lynch	May	-	-	1.30	-	2.0	-	-6.0	0.0
Morgan Stanley	June*	1.3	0.2	1.50	0.6	0.4	-	-8.0	-2.0
Natwest Group	June*	2.6	0.7	1.43	2.0	1.9	6.5	-2.8	-1.6
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	June*	2.2	0.6	1.25	1.2	0.8	-	-10.0	-12.0
Salomon Brothers	June*	2.2	0.4	1.30	0.5	0.3	-	-24.5	-3.0
Schroders	June*	1.7	0.2	1.47	1.0	1.0	5.5	-10.5	-1.5
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	June*	-	-0.4	1.58	1.4	1.4	4.6	-5.4	-1.4
Non-City forecasters									
BSL	June*	1.5	0.1	1.39	1.3	1.2	4.2	-2.9	7.2
Cambridge Econ	June*	1.8	-0.1	1.50	1.5	1.0	3.6	-8.7	1.8 k
CBI	June*	3.0	0.2	1.26	2.1	2.0	7.1	-5.8	-2.3
CEBR	Apr	2.6	-1.0	1.64	-	-1.2	-	-3.2	0.2
DRI	June*	1.3	0.7	1.49	3.4	4.0	6.2	-2.6	1.2
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	Apr	-	-	1.07	-	-	-	-4.7	-10.5
NIESR	May	1.5	0.8	1.30	-	2.7	6.0	-7.0	4.3
OEF	June*	1.8	-0.2	1.40	1.3	1.4	7.0	-7.2	-5.0
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		2.0	0.1	1.42	1.4	1.3	6.1	-8.3	-0.7
New (marked *)		2.0	0.1	1.43	1.4	1.2	6.0	-8.4	-0.7
City		2.0	0.2	1.44	1.4	1.2	5.8	-8.7	-0.6
Range of Forecasts made in last 3 months									
Highest		3.0	0.8	1.80	3.4	4.0	7.8	5.0	12.0
Lowest		1.3	-1.0	1.07	0.4	-1.2	3.6	-24.5	-12.0
HM Treasury	Mar	1¼-1¾	-	-	-	1-1½	7	-6%	3.1

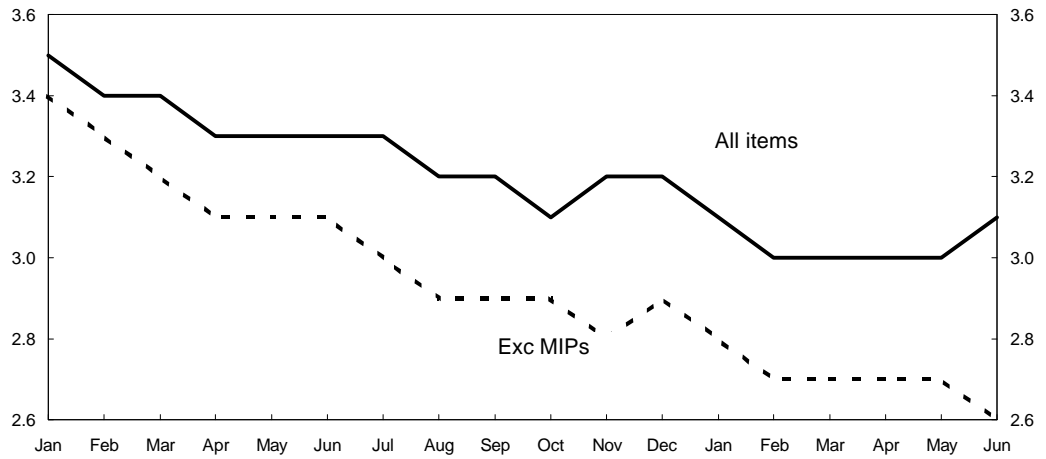
Forecasts for 1998

Independent average, January 1997 - June 1998

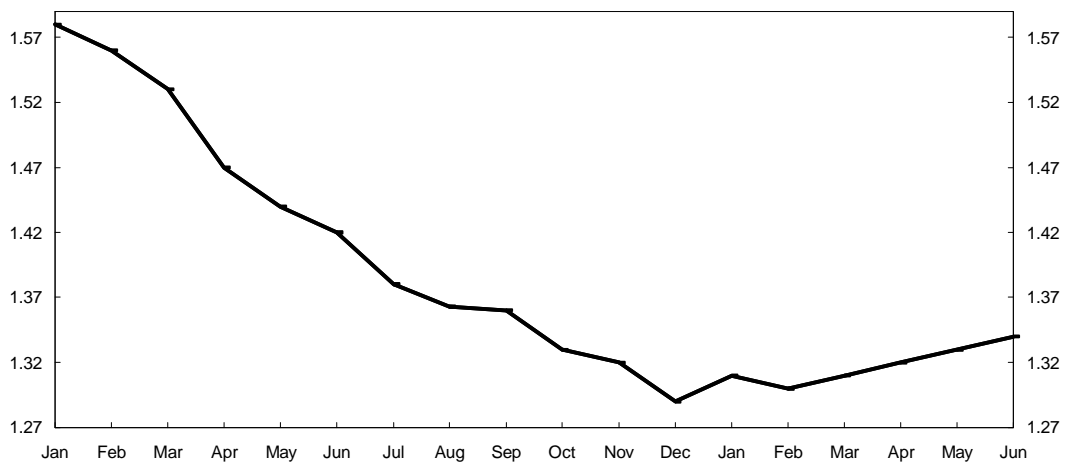
GDP growth (per cent)



Retail price inflation (Q4, per cent)



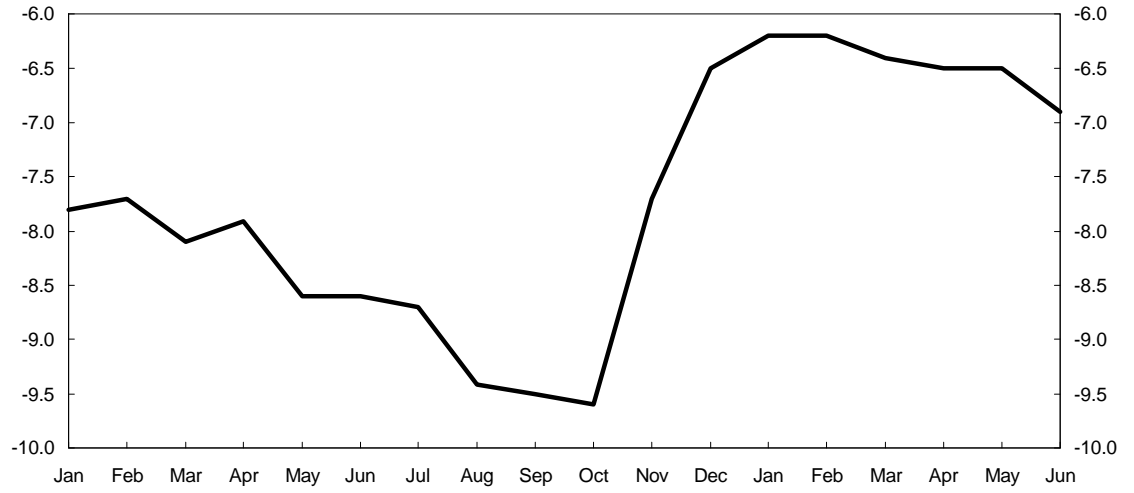
Claimant unemployment (Q4, millions)



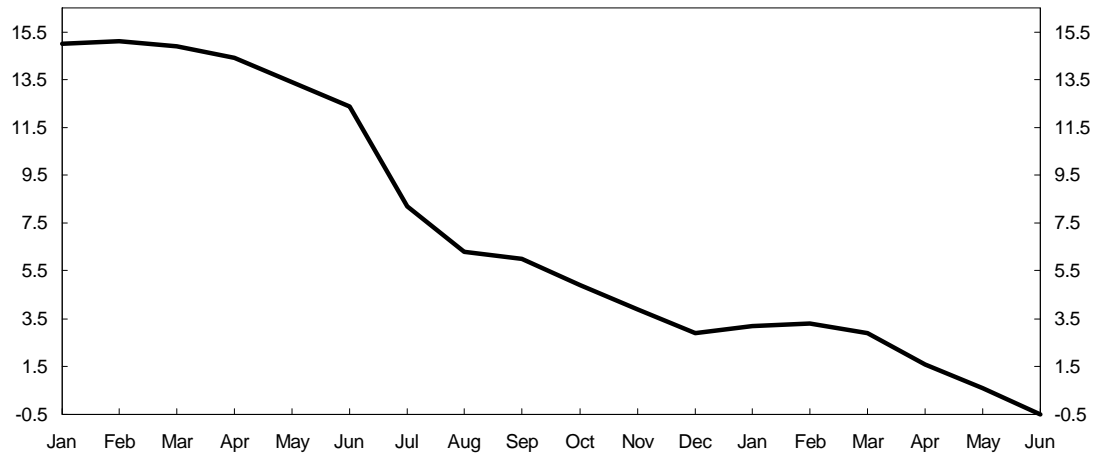
Forecasts for 1998

Independent average, January 1997 - June 1998

Current account
(£ billion)

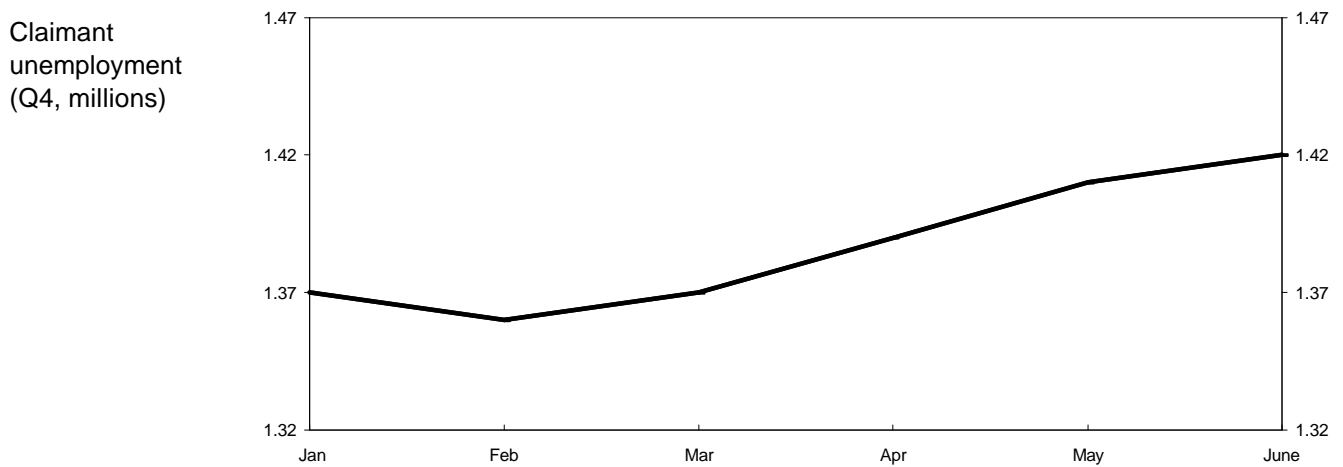
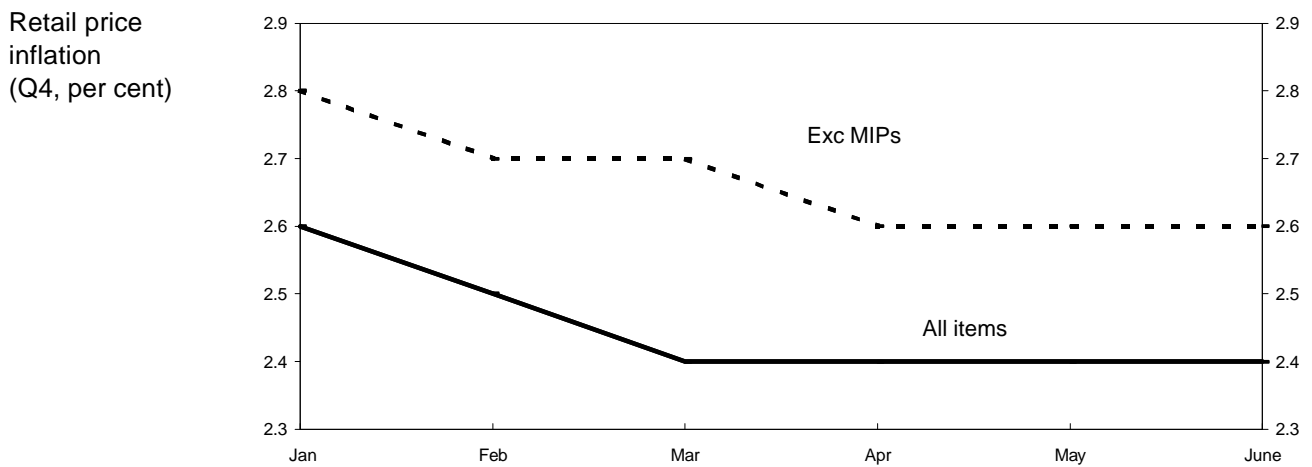
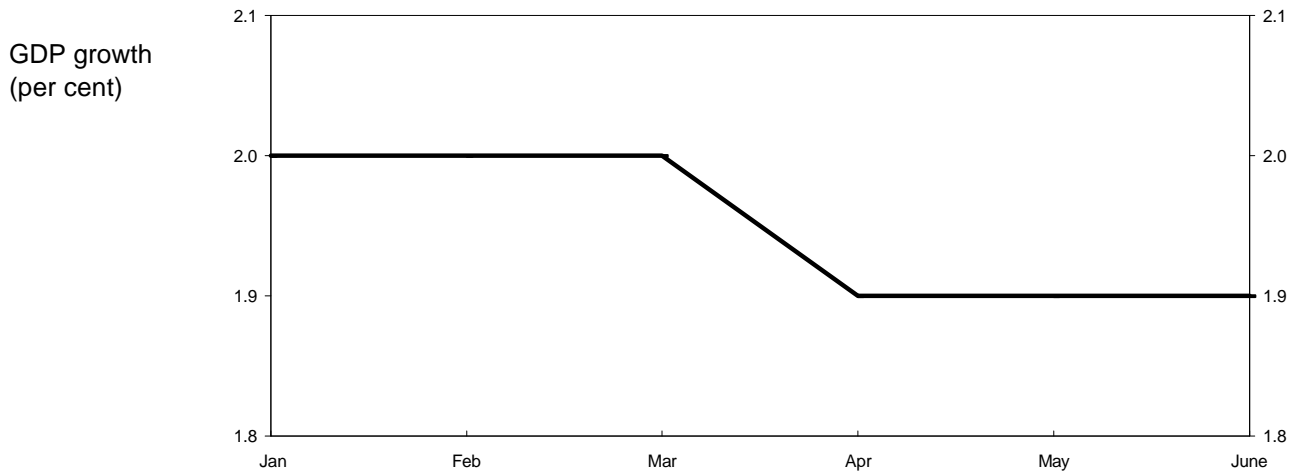


PSBR 1998-99
(£ billion)



Forecasts for 1999

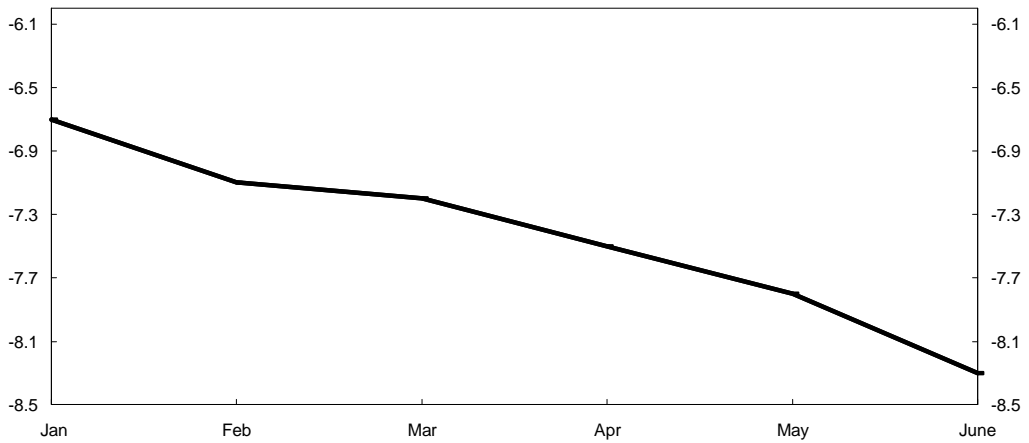
Independent average, January 1998 - June 1998



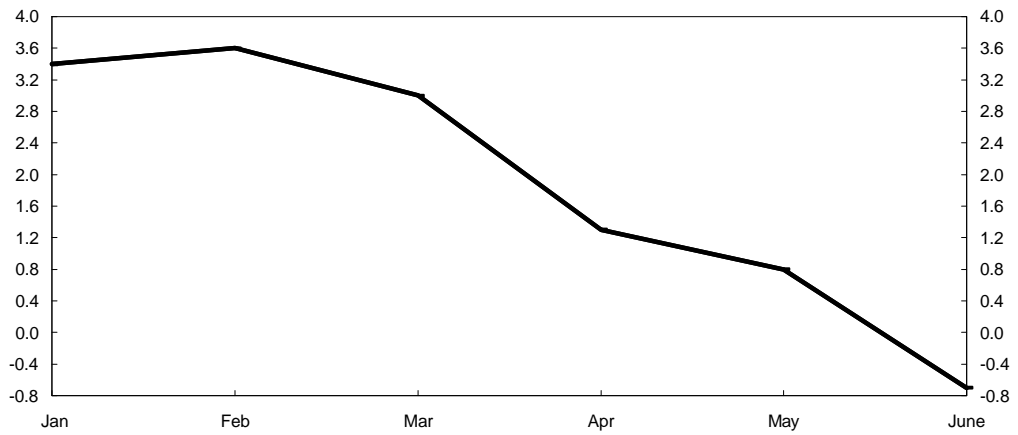
Forecasts for 1999

Independent average, January 1998 - June 1998

Current account
(£ billion)

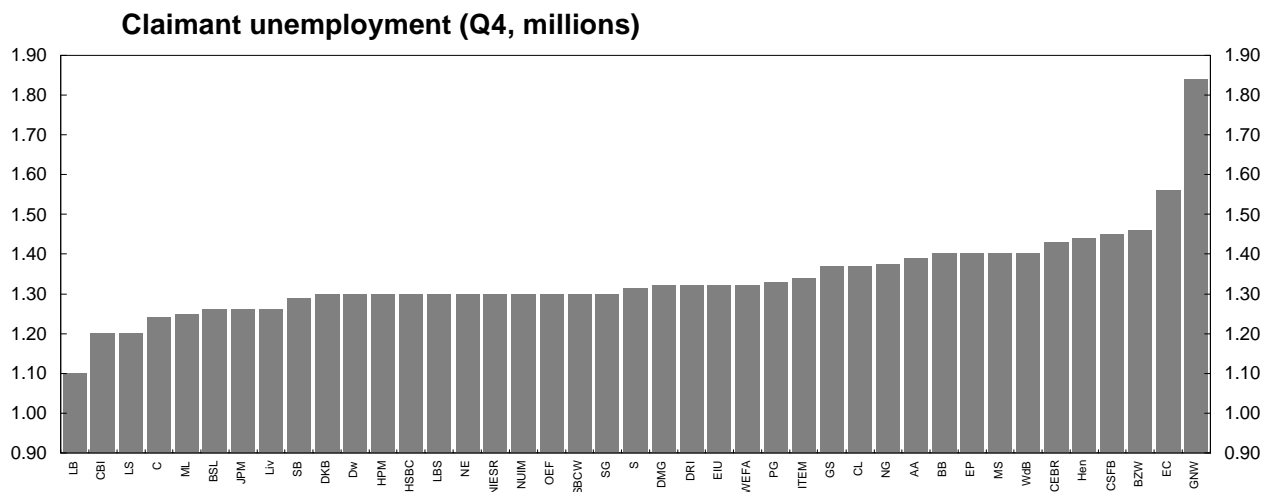
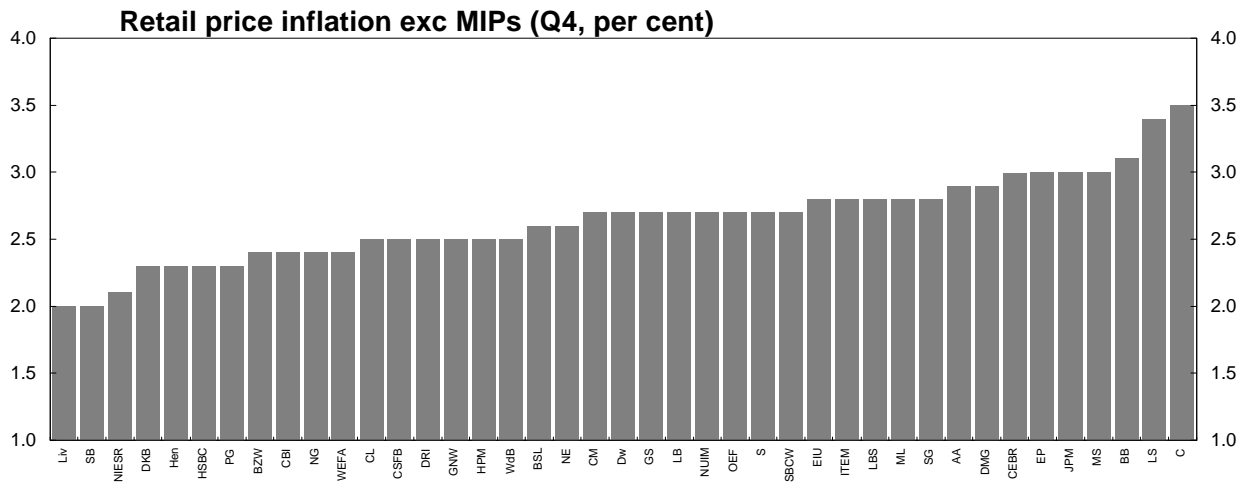
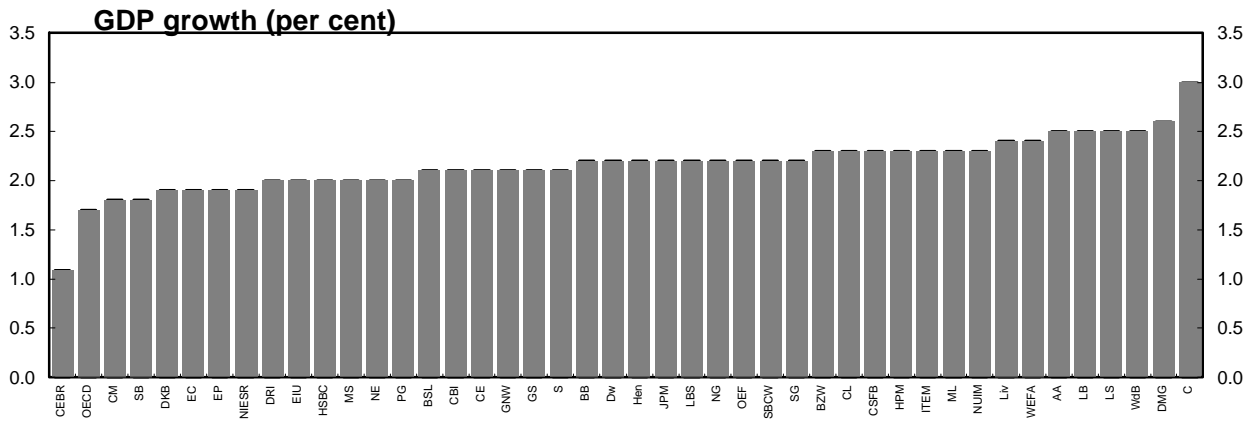


PSBR 1999-00
(£ billion)



Forecasts for 1998

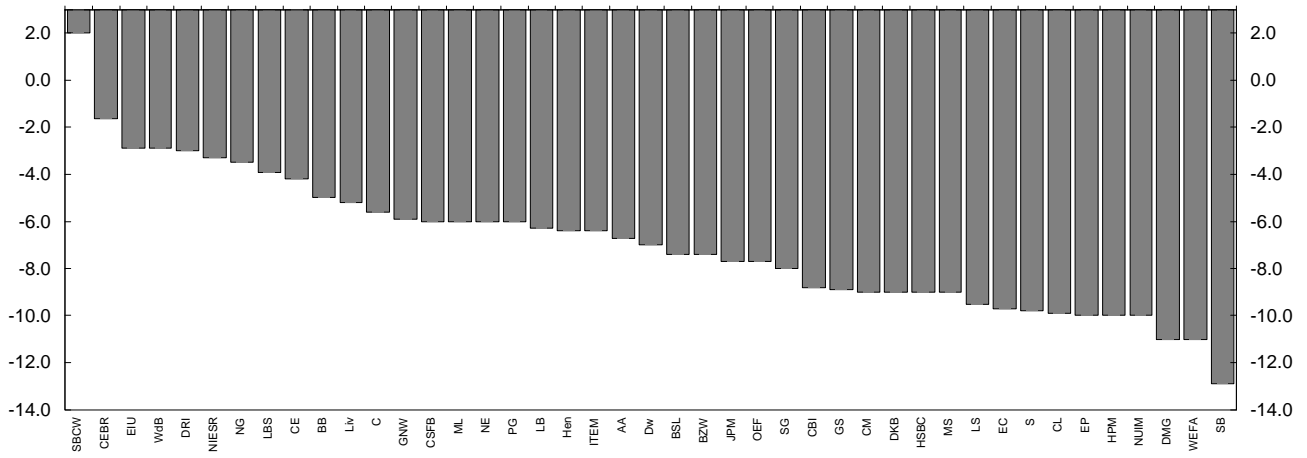
June 1998, range of forecasts (made in last 3 months)



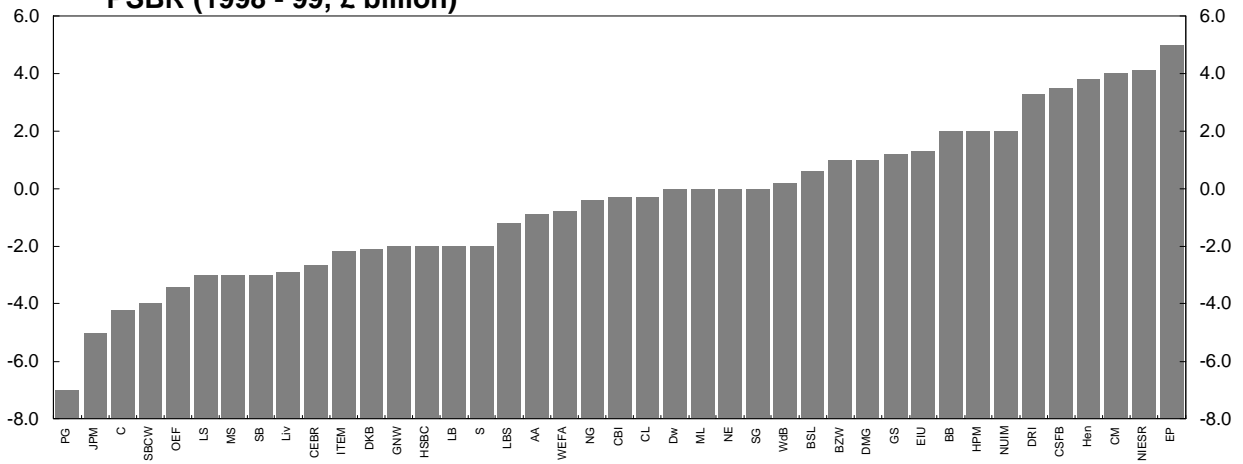
Forecasts for 1998

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

Current account (£ billion)



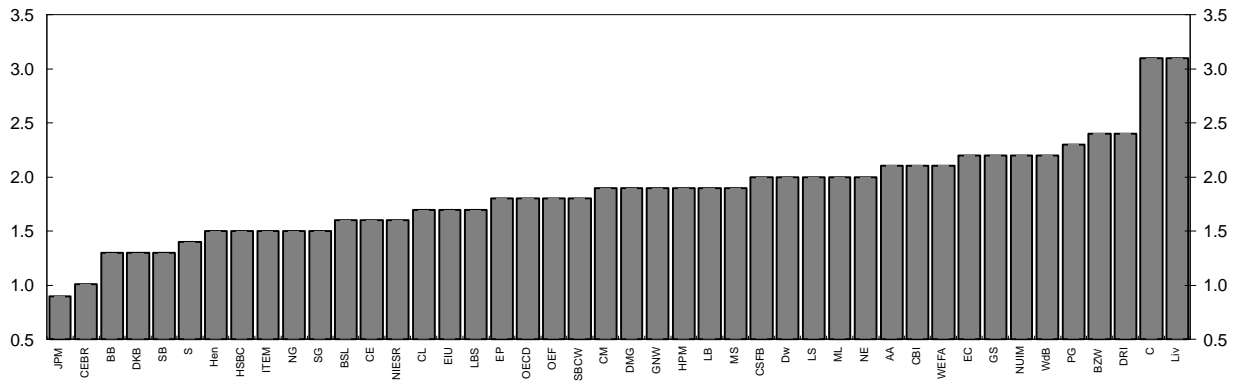
PSBR (1998 - 99, £ billion)



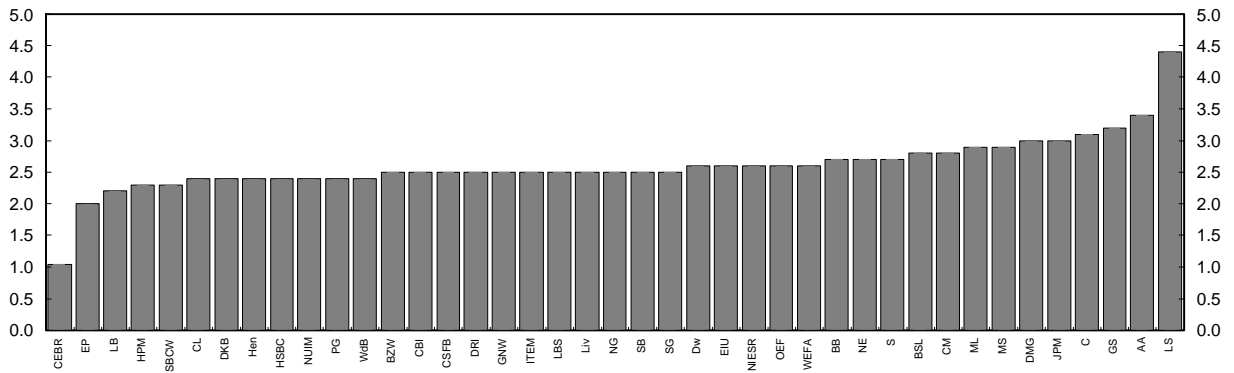
Forecasts for 1999

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

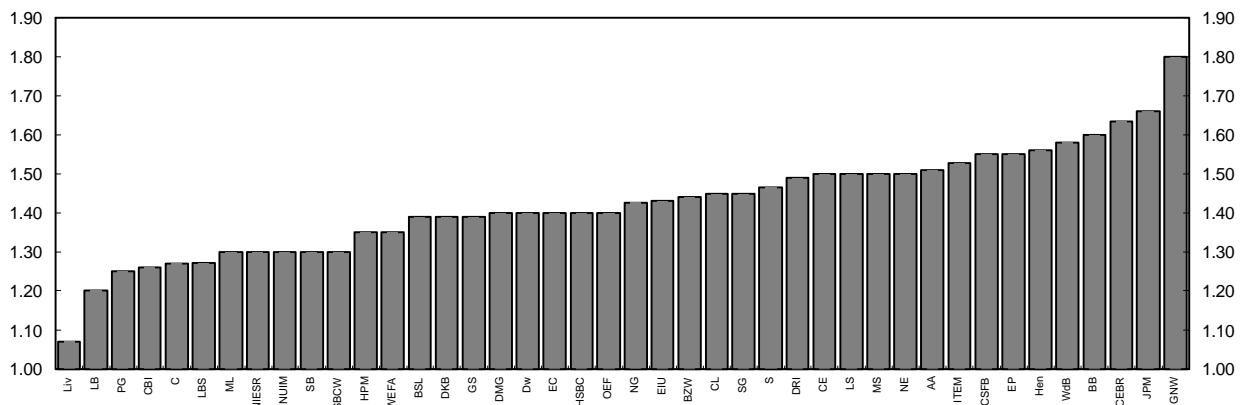
GDP growth (per cent)



Retail price inflation exc MIPs (Q4, per cent)



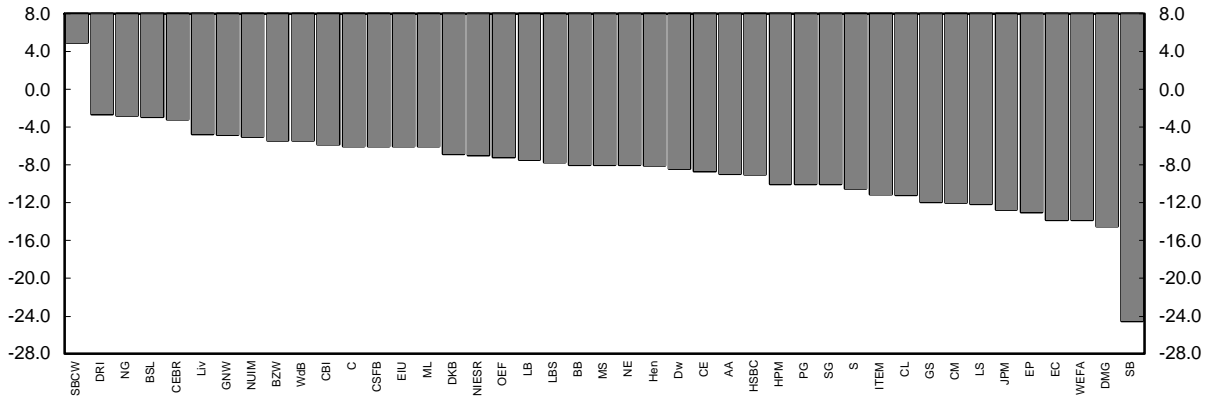
Claimant unemployment (Q4, millions)



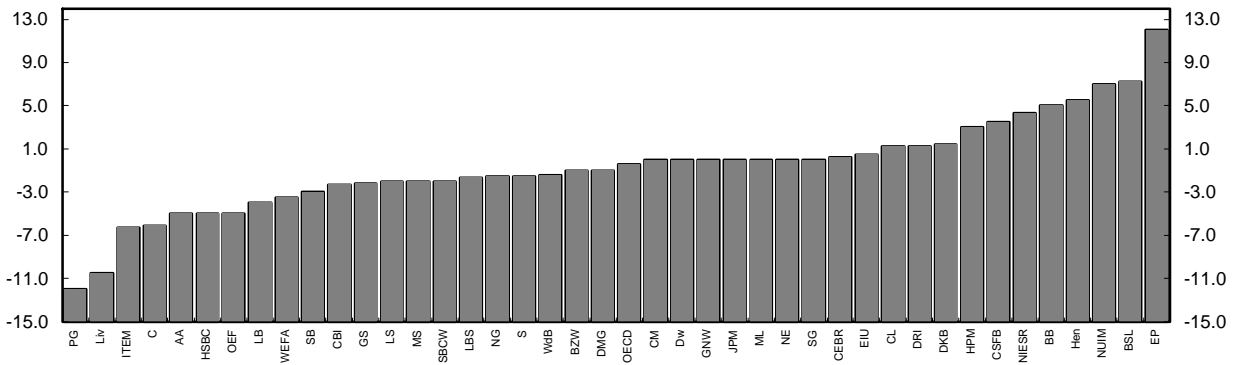
Forecasts for 1999

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

Current account (£ billion)



PSBR (1999 - 00, £ billion)



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
DMG:	Deutsche Morgan Grenfell
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

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