

Forecasts for the UK Economy

A comparison of independent forecasts

Compiled by Economic Assessment Team

December 2003

www.hm-treasury.gov.uk/forecasts



Please note that ITEM Club numbers for 2004 have been revised from the original edition of the December Comparison as updated numbers were mistakenly not included. This has resulted in some minor changes to the averages for 2004: average RPIX inflation is now 2.5% instead of 2.4%, average current account deficit is now -23.8bn instead of -23.9bn, average PSNB is now 36.1bn instead of 36.0bn and the average of new PSNB forecasts is 37.1bn rather than 26.9bn. We apologise for any inconvenience.

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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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Payment of the subscription fee is £75. Cheques should be made payable to "HM Treasury votes cash Account", and should be sent to Claire Coast-Smith, Public Enquiry Unit, 2/S2, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ. Could fee paying subscribers direct enquiries to Claire Coast-Smith on 0207 270 4558. Free subscribers should contact Alex Tuckett on 020 7270 5404. "Forecasts for the UK Economy' is compiled and coordinated by Alex Tuckett. Please direct enquiries on the contents of this issue to Alex Tuckett (020 7270 5404).

The next edition will be published on 21st January 2004. It will also be available on the Treasury's Internet site: <http://www.hm-treasury.gov.uk> under 'Economic Data and Tools'.

FORECASTS FOR THE UK ECONOMY
A comparison of independent forecasts, December 2003

This edition of the comparison contains 21 new forecasts, all of which were received between the 1st and 10th of December. The tables below summarise the average and range of independent forecasts for 2003 and 2004 and show the average of this month's new forecasts.

Forecasts for 2003	Independent ⁺				Average of new* forecasts
	Averages		November		
	December	November	Lowest	Highest	
GDP growth (per cent)	2.0	1.9	1.8	2.1	2.0
Inflation rate (Q4: per cent)					
- RPI	2.7	2.7	2.2	3.5	2.7
- RPI ex MIPs	2.6	2.7	2.2	2.9	2.6
Claimant unemployment (Q4: mn)	0.93	0.94	0.91	1.00	0.93
Current account (£bn)	-23.1	-22.2	-39.3	-16.0	-22.9
PSNB (2003-04: £bn)	34.9	33.4	29.0	40.0	35.6

Forecasts for 2004	Independent ⁺				Average of new* forecasts
	Averages		November		
	December	November	Lowest	Highest	
GDP growth (per cent)	2.6	2.6	0.9	3.5	2.6
Inflation rate (Q4: per cent)					
- RPI	2.9	2.9	1.8	3.8	2.9
- RPI ex MIPs	2.5	2.4	1.7	3.3	2.4
Claimant unemployment (Q4: mn)	0.94	0.95	0.76	1.20	0.91
Current account (£bn)	-23.8	-23.5	-41.4	-5.0	-25.2
PSNB (2004-05: £bn)	36.1	35.2	28.0	49.0	37.1

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (December: 21 Institutions, November: 13 Institutions, October: 5 Institutions)

*Based on new forecasts received for the comparison this month

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

Table 1 - 2003: Growth in GDP and its components (% change)

Dec 2003 Comparison

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (£bn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
City Forecasters										
ABN AMRO	Dec *	2.1	2.4	3.6	1.5	0.2	2.6	-1.8	0.5	-
Bank of America	Dec *	2.0	2.5	3.6	1.6	2.4	2.6 kk	-1.7	0.3	-0.6
Barclays Capital	Dec *	2.1	2.3	3.9	1.5	0.8	2.4	-1.5	0.1	-0.4
Bridgewell	Dec *	1.9	2.4	3.7	1.3	0.0	2.4	-1.7	0.3	-0.6
Capital Economics	Nov	1.8	2.2	3.7	2.0	-4.9	2.3	-1.4	0.4	-0.5
Citigroup	Nov	2.0	2.4	3.9	2.9	-3.0	2.3	-1.4	0.0	-0.3
Credit Lyonnais	Dec *	2.0	2.4	3.6	1.6	1.1	2.5	-1.7	0.4	-0.6
Credit Suisse First Boston	Dec *	2.1	2.4	3.6	1.8	1.1	2.6	-1.8	0.5	-0.6
Daiwa Institute of Research	Oct	2.0	2.3	3.9	2.1	-0.4	2.4	-1.2	0.5	-0.5
Deutsche Bank	Nov	2.0	2.5	3.7	2.5	-0.9	2.5	-1.4	0.8	-0.6
Dresdner Kleinwort Wasserstein	Dec *	2.0	2.4	3.7	1.9	0.8	2.6	-1.6	0.5	-0.6
Economic Perspectives	Dec *	1.9	2.6	3.7	0.9	0.5	2.4	-2.0	0.2	-0.6
Fortis Bank	Oct	2.0	2.1	3.6	3.2	-	2.4	-0.6	0.6	-0.3
Goldman Sachs	Dec *	2.1	2.5	3.7	1.7	-	2.5	-1.5	0.4	-0.5
Hermes	Nov	2.1	2.5	3.6	2.5	-0.4	2.6	-0.7	1.0	-0.5
HSBC	Nov	1.9	2.4	3.7	2.5	-1.3	2.4	-1.6	0.1	-0.5
ING Financial Markets	Nov	2.0	2.3	3.7	2.8	-0.6	2.6	-1.1	1.5	-0.8
ISIS Asset Management plc	Jun	2.2	2.5	4.5	1.0	4.2	2.6	-0.2	3.1	-1.3
J P Morgan	Dec *	2.1	2.5	3.7	2.2	1.0	2.6	-1.5	0.5	-0.6
Lehman Brothers	Dec *	2.1	2.5	3.7	1.7	1.4	2.5	-1.7	0.2	-0.5
Lombard Street	Oct	1.9	2.7	3.8	0.5	2.0	2.8	1.0	2.5	-0.8
Morgan Stanley	Dec *	2.0	2.3	3.8	1.6	3.2	2.5	-1.6	0.4	-0.6
RBSFM	Dec *	2.0	2.4	3.7	1.5	1.2	2.5	-1.6	0.5	-0.5
Schroders Investment Management	Dec *	1.9	2.4	3.6	1.5	1.4	2.5	-1.7	0.4	-0.6
Standard Chartered Bank	Oct	2.0	2.4	3.8	2.3	0.0	2.5	-1.3	0.0	-0.4
UBS	Dec *	2.0	2.4	3.6	1.6	-0.1	2.5	-1.7	0.3	-0.6
WestLB AG	Dec *	2.0	2.3	3.7	2.0	-0.3	2.7	-1.7	0.3	-0.6
Williams de Broe	Dec *	1.9	2.4	3.7	1.6	1.1	2.5	-1.4	1.0	-0.8
Non-City Forecasters										
Cambridge Econometrics	Nov	1.8	3.1	4.4	-0.3	1.8	2.9	-1.4	2.2	-1.4
CBI	Dec *	2.0	2.5	3.5	1.9	-0.4	2.4	-1.1	0.5	-0.5
CEBR	Nov	2.0	2.3	2.4	1.4	2.6	2.3	0.8	1.6	-
Economy.com	Nov	1.9	2.6	4.0	-0.1	-0.1	2.3	1.3	4.6	-
Experian Business Strategies	Dec *	2.0	2.4	3.4	1.6	-0.1	2.4	-1.4	0.0	-0.4
EIU	Oct	1.8	2.3	3.5	1.5	-	2.2	-0.9	0.7	-0.5
Global Insight	Aug	1.8	2.8	2.7	1.1	-	2.9	-0.3	2.8	-
ITEM Club	Dec *	2.0	2.3	3.9	1.3	-0.1	2.3	-1.3	0.2	-0.4
Liverpool Macro Research	Dec *	2.0	2.5 c	5.1 d	1.7 e	-	-	-	-	-
NIESR	Nov	2.0	2.4	2.9	3.0	-0.3	2.4	-1.9	0.0	-0.5
OEF	Nov	2.0	2.3	3.9	2.1	-1.7	2.3	-1.2	0.5	-0.5
EC	Nov	2.0	2.3	3.6	3.1	-1.1	2.4	-0.6	0.9	-0.4
OECD	Nov	1.9	2.4	3.4	2.9	-0.3 h	2.7	-0.9	1.1	-0.6
IMF	Sep	1.7	2.2	3.8	1.3	0.0 h	2.4	-0.2	2.0	-0.9
Average of Forecasts made in the last 3 months										
Independent		2.0	2.4	3.7	1.8	0.2	2.5	-1.2	0.7	-0.6
New (marked *)		2.0	2.4	3.7	1.6	0.7	2.5	-1.6	0.4	-0.6
City		2.0	2.4	3.7	1.9	0.3	2.5	-1.4	0.5	-0.6
Range of Forecasts made in the last 3 months										
Highest		2.1	3.1	4.4	3.2	3.2	2.9	1.3	4.6	-0.3
Lowest		1.8	2.1	2.4	-0.3	-4.9	2.2	-2.0	0.0	-1.4
Median		2.0	2.4	3.7	1.7	0.0	2.5	-1.4	0.5	-0.5
HM Treasury	Dec	2.1	2½	3¼	2¼	0	2½	-1½	½	-½

Table 2 - 2003: Growth in prices and monetary indicators (% change)

Dec 2003 Comparison

Forecasters & dates of forecasts		RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
City Forecasters								
ABN AMRO	Dec *	2.7	2.6	3.4	-	3.75	-	-
Bank of America	Dec *	2.6	2.6	3.4	-	3.75	27.5	-
Barclays Capital	Dec *	2.8	2.7	3.4	100.2	3.67	-	-
Bridgewell	Dec *	2.8	2.7	3.5	100.5	3.75	-	6.4
Capital Economics	Nov	2.9	2.6	3.4	99.4	3.75	28.3	7.5
Citigroup	Nov	2.8	2.7	3.4	98.7	3.70	25.0	-
Credit Lyonnais	Dec *	2.6	2.6	3.5	100.5	3.75	28.5	-
Credit Suisse First Boston	Dec *	-	2.8	-	-	3.75	-	-
Daiwa Institute of Research	Oct	2.8	2.8	3.5	99.5	3.50	28.6	-
Deutsche Bank	Nov	2.7	2.7	3.4	100.0	3.75	-	7.5
Dresdner Kleinwort Wasserstein	Dec *	2.6	2.6	-	-	3.75	-	-
Economic Perspectives	Dec *	2.5	2.5	3.5	99.0	3.75	28.0	7.5
Fortis Bank	Oct	2.6	2.5	3.4	99.0	3.50	-	-
Goldman Sachs	Dec *	2.8	2.7	3.6	97.0	3.80 j	-	7.1
Hermes	Nov	2.5	2.5	3.5	101.0	3.75	-	-
HSBC	Nov	2.8	2.8	3.3	99.3	3.75	30.0	-
ING Financial Markets	Nov	2.7	2.7	4.2	-	3.75	-	-
ISIS Asset Management plc	Jun	2.6	2.5	3.5	-	3.50	-	-
J P Morgan	Dec *	2.9	2.8	-	-	3.75	28.0	-
Lehman Brothers	Dec *	2.8	2.7	3.4	100.0	3.75	-	-
Lombard Street	Oct	2.7	2.6	3.8	97.0	3.50	25.0	8.5
Morgan Stanley	Dec *	2.7	2.6	3.5	101.0 j	3.75 j	-	-
RBSFM	Dec *	2.7	2.7	3.6	100.2	3.67	28.5	-
Schroders Investment Management	Dec *	2.6	2.6	3.6	-	3.75	-	-
Standard Chartered Bank	Oct	2.5	2.5	3.4	99.0	3.50	28.0	7.0
UBS	Dec *	2.6	2.6	3.8	99.0	3.75	26.5	5.5
WestLB AG	Dec *	2.6	2.6	3.3	100.5	3.50	28.0	7.0
Williams de Broe	Dec *	2.6	2.7	3.5	100.2	3.70	28.3	7.0
Non-City Forecasters								
Cambridge Econometrics	Nov	2.8 k	2.6 k	3.4 n	103.6 k	3.70 k,s	25.9	-
CBI	Dec *	3.5	2.6	3.6	100.1	4.40	28.1	-
CEBR	Nov	2.2	2.2	4.1	99.5	3.48	28.6	4.1
Economy.com	Nov	2.9	2.9	3.5	98.0	3.75	29.0	6.5
Experian Business Strategies	Dec *	2.7	2.6	3.3	99.0	3.75	28.5	-
EIU	Oct	2.9	2.7	3.5	99.1	3.50	27.6	-
Global Insight	Aug	-	2.8	3.3	-	3.50	-	6.2
ITEM Club	Dec *	2.7	2.7	3.8	100.8	3.75	20.0	7.5
Liverpool Macro Research	Dec *	-	2.5	3.5	100.1	4.20	-	-
NIESR	Nov	-	2.8	4.6 n	100.0	3.67 s	27.2 v	-
OEF	Nov	2.9	2.7	3.5	100.4	3.90	28.5	7.0
EC	Nov	2.8 a	2.8 a,k	4.3 n	-	3.60	28.3	-
OECD	Nov	1.8 k,ll	3.1 k	4.5 n	-	3.80 k,s	-	-
IMF	Sep	-	2.8	-	-	-	28.5 v	-
Average of Forecasts made in the last 3 months								
Independent		2.7	2.6	3.5	99.5	3.72	27.5	6.9
New (marked *)		2.7	2.6	3.5	99.8	3.78	27.3	6.9
City		2.7	2.7	3.5	99.5	3.69	27.7	7.1
Range of Forecasts made in the last 3 months								
Highest		3.5	2.9	4.2	101.0	4.40	30.0	8.5
Lowest		2.2	2.2	3.3	97.0	3.48	20.0	4.1
Median		2.7	2.7	3.5	99.8	3.75	28.1	7.0
HM Treasury	Dec	-	2%	-	-	-	-	-

Table 3 - 2003: Growth in other selected variables (% change)

Dec 2003 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)
City Forecasters								
ABN AMRO	Dec *	2.9	0.1	0.94	-	-	-17.0	39.4
Bank of America	Dec *	-	-	-	0.0	2.8	-17.4	40.0
Barclays Capital	Dec *	2.2	0.5	0.94	0.6	-	-26.0	36.7 cc
Bridgewell	Dec *	2.2	-0.1	0.95	0.0	-	-28.1	36.8
Capital Economics	Nov	1.5	0.5	1.00	0.2	3.0	-27.5	37.0
Citigroup	Nov	2.0	0.6	0.92	0.0	-	-20.3	38.0
Credit Lyonnais	Dec *	-	-	0.92	-0.1	4.5	-21.4	37.0
Credit Suisse First Boston	Dec *	-	-	-	-	-	-	35.0
Daiwa Institute of Research	Oct	2.5	0.6	0.94	-	-	-19.5	35.0
Deutsche Bank	Nov	2.1	0.9	0.92	0.0	-	-22.2	33.0
Dresdner Kleinwort Wasserstein	Dec *	-	-	-	-	-	-22.6	37.3
Economic Perspectives	Dec *	1.3	0.3	0.95	0.0	4.0	-27.0	32.0
Fortis Bank	Oct	1.7	0.7	0.91	-	-	-17.0	31.0
Goldman Sachs	Dec *	2.3	0.7	3.10 x	0.2	-	-22.1	36.2
Hermes	Nov	-	0.2	0.94	-	-	-20.0	-
HSBC	Nov	3.0	0.2	0.94	0.0	-	-25.0	36.0
ING Financial Markets	Nov	-	-	-	-	-	-22.5	-
ISIS Asset Management plc	Jun	-	-	0.97	0.9	-	-18.0	-
J P Morgan	Dec *	-	-	-	-0.4	-	-20.2	33.0
Lehman Brothers	Dec *	2.4	-0.5 rr	0.91	0.3	-	-24.5	38.0
Lombard Street	Oct	2.3	0.1	0.95	-	-	-22.0	34.0
Morgan Stanley	Dec *	2.0	-	-	0.1	-	-	37.2
RBSFM	Dec *	2.3	0.2	0.93	0.0	3.3	-25.8	35.6
Schroders Investment Management	Dec *	-	-	3.10 x	0.2	-	-24.7	33.0
Standard Chartered Bank	Oct	2.5	0.0	0.95	0.0	-	-16.0	31.0
UBS	Dec *	2.0	0.8	0.94	0.1	-	-20.6	36.0
WestLB AG	Dec *	2.4	0.2	0.92	0.0	4.0	-20.0	32.0
Williams de Broe	Dec *	-	0.2	0.92	-0.1	4.1	-27.5	32.9
Non-City Forecasters								
Cambridge Econometrics	Nov	2.3	0.2	1.00 k	-0.2	1.7 hh	-21.0	30.5 kcc
CBI	Dec *	2.2	0.7	0.92	-0.1	3.5	-25.0	35.2
CEBR	Nov	2.0	-0.5	0.96	2.1	-	-28.5	32.5
Economy.com	Nov	2.2	0.6	0.92	-	-	-39.3	29.0
Experian Business Strategies	Dec *	2.2	0.6	0.92	0.0	1.5	-19.5	36.4
EIU	Oct	1.9	0.3	0.92	-0.7	3.5	-24.4	31.5
Global Insight	Aug	-	0.6	-	-0.2	-	-10.9	28.4
ITEM Club	Dec *	1.9	0.9	0.91	0.1	3.8	-24.0	35.0
Liverpool Macro Research	Dec *	-	-	0.95	-	-	-22.4	33.0 cc
NIESR	Nov	2.0	0.5	0.93 k	0.2	5.6 w	-24.7	32.1
OEF	Nov	2.5	0.6	0.94	0.0	3.5	-19.8	37.3
EC	Nov	-	0.7	-	0.2	-	-24.2	30.3 ee
OECD	Nov	3.1	0.9	5.40 aa	-	-	-2.7 g	2.9 ee,ζ
IMF	Sep	-	0.6	5.20 aa	-	-	-17.1	2.5 ee,ζ
Average of Forecasts made in the last 3 months								
Independent		2.2	0.4	0.93	0.1	3.5	-23.1	34.9
New (marked *)		2.2	0.4	0.93	0.0	3.5	-22.9	35.6
City		2.2	0.4	0.94	0.1	3.7	-22.3	35.3
Range of Forecasts made in the last 3 months								
Highest		3.1	0.9	1.00	2.1	4.5	-16.0	40.0
Lowest		1.3	-0.5	0.91	-0.7	1.5	-39.3	29.0
Median		2.2	0.5	0.94	0.0	3.5	-22.5	35.1
HM Treasury	Dec	2	-	-	¼	4 w	-24¼	37

Table 4 - 2004: Growth in GDP and its components (% change)

Dec 2003 Comparison

Forecasters & dates of forecasts		GDP	Private Consumption	Government Consumption	Fixed Investment	Change in Inventories (£bn)	Domestic Demand	Total Exports	Total Imports	Net Trade Contribution
City Forecasters										
ABN AMRO	Dec *	2.8	3.2	2.8	1.2	0.0	2.4	2.6	3.8	-
Bank of America	Dec *	2.4	2.3	2.7	1.8	3.8	2.4 kk	2.9	2.9	-0.1
Barclays Capital	Dec *	2.7	2.3	3.9	1.6	2.6	2.7	3.5	3.2	-0.1
Bridgewell	Dec *	1.9	2.1	2.1	0.2	-1.0	1.7	3.2	2.5	0.1
Capital Economics	Nov	2.3	0.5	3.8	2.5	7.0	1.6	3.5	1.0	0.7
Citigroup	Nov	3.5	4.2	2.7	6.2	-0.2	4.5	3.3	6.9	-1.1
Credit Lyonnais	Dec *	2.8	2.8	3.1	3.2	2.0	3.0	3.9	4.5	-0.4
Credit Suisse First Boston	Dec *	2.8	2.8	3.0	4.0	2.1	3.2	3.3	4.5	-0.5
Daiwa Institute of Research	Oct	3.0	2.3	3.9	2.7	0.2	3.0	5.7	5.5	-0.2
Deutsche Bank	Nov	2.7	2.7	3.3	3.7	1.1	3.2	3.6	5.0	-0.6
Dresdner Kleinwort Wasserstein	Dec *	2.6	2.4	3.4	3.1	1.2	2.7	4.4	4.0	-0.1
Economic Perspectives	Dec *	0.9	1.6	2.9	-2.5	0.0	1.1	-0.1	0.5	-0.2
Fortis Bank	Oct	3.2	1.9	2.9	5.4	-	2.8	7.0	4.9	0.4
Goldman Sachs	Dec *	2.9	2.4	3.1	3.3	-	2.8	5.3	4.4	0.0
Hermes	Nov	2.6	2.5	2.9	3.5	0.5	2.8	4.5	4.9	-0.3
HSBC	Nov	2.1	2.1	3.0	2.1	-5.1	1.9	1.8	0.7	0.2
ING Financial Markets	Nov	2.9	2.6	3.2	5.7	3.4	3.6	6.1	7.9	-0.9
ISIS Asset Management plc	Jun	2.2	1.5	4.4	2.8	4.0	2.2	7.7	4.0	0.1
J P Morgan	Dec *	3.5	3.1	4.1	6.8	-4.1	3.4	6.0	4.8	0.1
Lehman Brothers	Dec *	2.8	2.6	2.9	1.9	4.4	2.7	4.4	3.8	0.0
Lombard Street	Oct	2.3	2.2	2.7	0.2	4.4	2.2	4.5	4.1	0.0
Morgan Stanley	Dec *	2.7	2.1	4.0	3.2	4.7	2.7	3.7	3.7	-0.2
RBSFM	Dec *	3.0	2.7	3.8	3.8	1.2	3.1	5.6	5.6	-0.1
Schroders Investment Management	Dec *	2.4	1.6	4.0	3.0	3.4	2.4	3.0	2.7	0.0
Standard Chartered Bank	Oct	2.3	2.2	3.6	2.4	0.3	2.5	2.0	2.4	-0.2
UBS	Dec *	2.5	2.2	2.9	1.9	2.4	2.5	1.8	1.7	0.0
WestLB AG	Dec *	2.8	2.4	3.8	2.8	0.8	3.1	4.2	4.4	-0.2
Williams de Broe	Dec *	2.3	2.8	3.3	3.4	4.4	3.3	5.9	8.8	-1.4
Non-City Forecasters										
Cambridge Econometrics	Nov	2.5	2.6	2.5	3.2	0.6	2.5	5.9	5.3	-0.2
CBI	Dec *	2.8	2.1	3.2	2.9	3.6	2.8	4.3	4.0	-0.2
CEBR	Nov	2.0	1.9	2.2	3.3	4.3	1.9	2.7	2.1	-
Economy.com	Nov	2.8	2.8	2.5	2.1	0.3	2.7	2.5	4.0	-
Experian Business Strategies	Dec *	2.7	2.4	2.7	2.5	3.5	2.8	3.8	4.0	-0.2
EIU	Oct	2.3	1.6	2.8	2.2	-	2.4	4.4	4.4	-0.2
Global Insight	Aug	2.6	2.5	2.7	3.7	-	2.6	5.0	4.6	-
ITEM Club	Dec *	3.0	2.5	3.9	2.5	0.0	3.1	5.1	3.3	-0.1
Liverpool Macro Research	Dec *	3.0	2.5 c	3.9 d	2.5 e	0.0	3.1	5.1	3.3	-0.1
NIESR	Nov	2.6	2.0	2.7	5.2	0.9	2.7	3.6	3.9	-0.2
OEF	Nov	2.9	2.4	3.9	2.6	0.6	3.0	5.3	5.6	-0.3
EC	Nov	2.8	2.2	2.1	4.8	0.4	2.8	5.1	4.7	-0.1
OECD	Nov	2.7	2.4	1.7	4.9	0.4 h	3.4	6.5	7.0	-0.4
IMF	Sep	2.4	2.1	4.0	2.2	-0.1 h	2.4	3.7	3.3	-0.1
Average of Forecasts made in the last 3 months										
Independent		2.6	2.4	3.1	3.0	1.5	2.7	4.1	4.1	-0.2
New (marked *)		2.6	2.4	3.2	2.5	1.6	2.7	3.9	3.8	-0.2
City		2.6	2.4	3.2	2.9	1.6	2.7	3.9	4.0	-0.2
Range of Forecasts made in the last 3 months										
Highest		3.5	4.2	4.1	6.8	7.0	4.5	7.0	8.8	0.7
Lowest		0.9	0.5	1.7	-2.5	-5.1	1.1	-0.1	0.5	-1.4
Median		2.7	2.4	3.0	2.9	1.1	2.8	4.2	4.0	-0.2
HM Treasury	Dec	3 - 3½	2½ to 2¾	2½	6 to 6½	¼	3¼ to 3¾	5¼ to 5¾	5¼ to 5¾	-¼

Table 5 - 2004: Growth in prices and monetary indicators (% change)

Dec 2003 Comparison

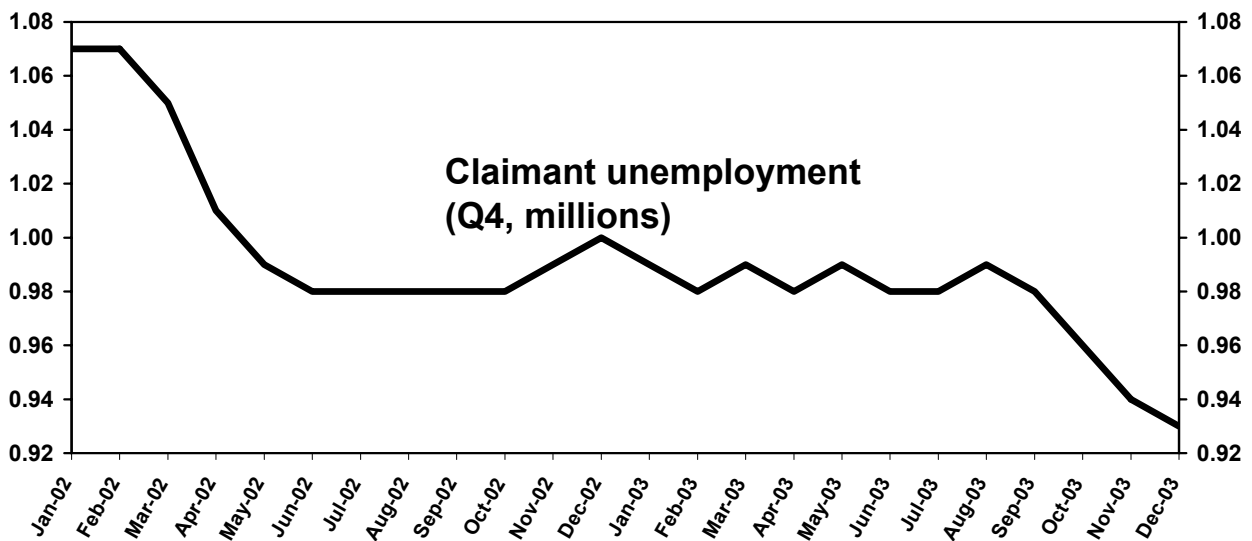
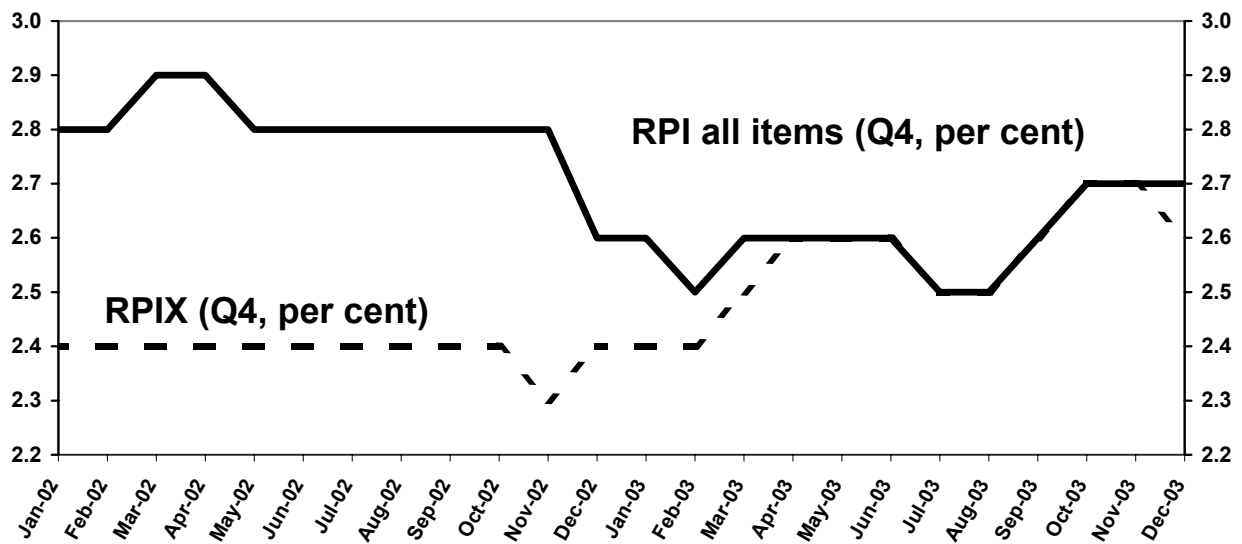
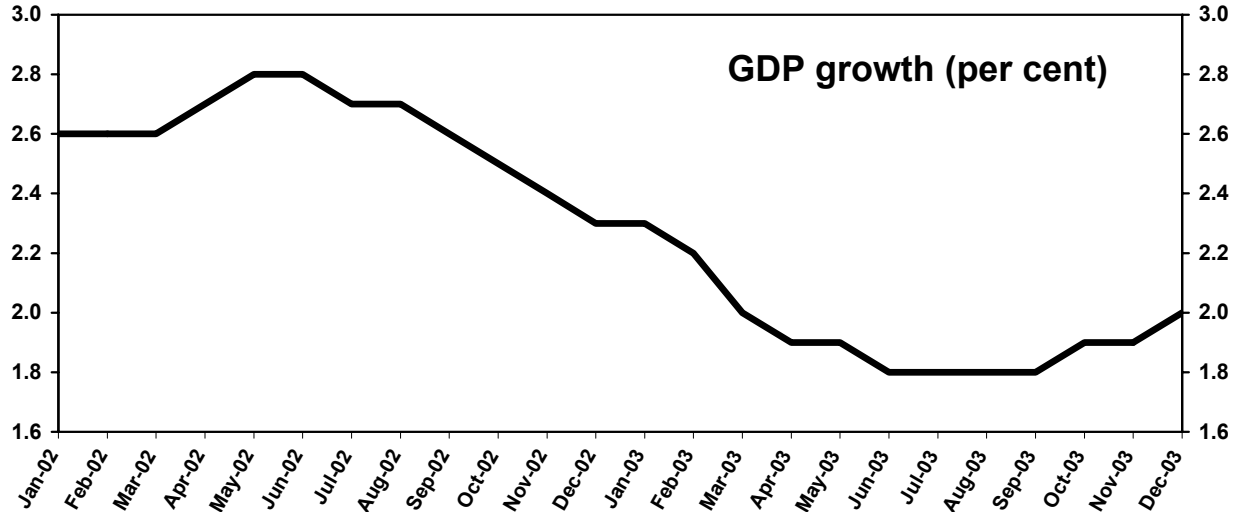
Forecasters & dates of forecasts		RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
City Forecasters								
ABN AMRO	Dec *	2.7	2.3	4.1	-	4.00	-	-
Bank of America	Dec *	2.0	2.2	3.4	-	4.00	27.0	-
Barclays Capital	Dec *	3.4	2.7	4.2	98.2	4.67	-	-
Bridgewell	Dec *	3.3	2.9	3.9	93.4	4.75	-	5.1
Capital Economics	Nov	2.8	1.9	4.0	95.3	4.25	21.2	7.0
Citigroup	Nov	3.8	2.9	4.4	96.8	4.70	25.0	-
Credit Lyonnais	Dec *	3.0	2.4	4.0	97.0	4.50	27.0	-
Credit Suisse First Boston	Dec *	-	2.5	-	-	4.50	-	-
Daiwa Institute of Research	Oct	3.4	2.2	4.3	101.2	4.50	24.6	-
Deutsche Bank	Nov	3.0	2.3	4.2	98.5	4.25	-	6.5
Dresdner Kleinwort Wasserstein	Dec *	2.4	2.3	-	-	4.00	-	-
Economic Perspectives	Dec *	1.8	1.7	3.3	97.0	4.25	25.0	6.0
Fortis Bank	Oct	2.6	2.3	4.3	96.0	5.00	-	-
Goldman Sachs	Dec *	3.5	2.7	4.6	95.0	5.00 j	-	7.6
Hermes	Nov	3.0	2.5	4.5	100.0	4.00	-	-
HSBC	Nov	2.5	2.4	3.0	89.1	4.00	26.0	-
ING Financial Markets	Nov	3.0	2.3	4.4	-	4.25	-	-
ISIS Asset Management plc	Jun	3.0	2.6	4.5	-	4.00	-	-
J P Morgan	Dec *	3.4	2.5	-	-	4.75	24.6	-
Lehman Brothers	Dec *	2.9	2.5	4.0	96.0	4.25	-	-
Lombard Street	Oct	3.0	2.5	4.0	92.0	4.00	-	-
Morgan Stanley	Dec *	3.0	2.4	3.5	104.4 j	4.50 j	-	-
RBSFM	Dec *	3.2	2.6	2.0	98.8	4.67	28.0	-
Schroders Investment Management	Dec *	3.4	2.5	3.9	-	4.50	-	-
Standard Chartered Bank	Oct	2.6	2.6	3.7	100.0	3.75	25.0	6.0
UBS	Dec *	2.7	2.5	4.0	99.0	4.50	23.0	5.0
WestLB AG	Dec *	2.3	2.3	3.3	97.0	4.50	26.0	7.0
Williams de Broe	Dec *	2.9	2.6	4.1	99.6	4.70	28.5	7.3
Non-City Forecasters								
Cambridge Econometrics	Nov	2.6 k	2.4 k	4.4 n	98.7 k	3.90 ks	27.2	-
CBI	Dec *	3.1	2.5	4.3	98.5	5.00	25.5	-
CEBR	Nov	2.5	2.7	4.5	96.5	3.14	26.9	5.0
Economy.com	Nov	3.1	3.3	4.1	101.0	4.30	25.0	6.2
Experian Business Strategies	Dec *	2.8	2.2	4.4	99.0	4.25	26.3	-
EIU	Oct	2.6	2.5	3.7	97.5	4.00	19.6	-
Global Insight	Aug	-	2.6	4.1	-	4.25	-	4.7
ITEM Club	Dec *	3.3	2.5	4.4	97.7	4.75	30.0	7.2
Liverpool Macro Research	Dec *	3.3	2.5	4.4	97.7	4.75	30.0	7.2
NIESR	Nov	-	2.4	4.5 n	98.4	4.18 s	25.3 v	-
OEF	Nov	3.3	2.2	4.1	103.7	4.80	24.6	7.0
EC	Nov	2.6 a	2.5 a,k	4.4 n	-	-	25.6	-
OECD	Nov	2.3 k,ll	2.8 k	4.5 n	-	4.40 k,s	-	-
IMF	Sep	-	2.5	-	-	-	25.5 v	-
Average of Forecasts made in the last 3 months								
Independent		2.9	2.5	4.0	97.5	4.37	25.7	6.4
New (marked *)		2.9	2.4	3.9	97.4	4.49	26.7	6.6
City		2.9	2.4	3.9	96.8	4.37	25.5	6.4
Range of Forecasts made in the last 3 months								
Highest		3.8	3.3	4.6	103.7	5.00	30.0	7.6
Lowest		1.8	1.7	2.0	89.1	3.14	19.6	5.0
Median		3.0	2.5	4.1	97.7	4.50	25.6	6.8
HM Treasury	Dec	-	2½	-	-	-	-	-

Table 6 - 2004: Growth in other selected variables (% change)

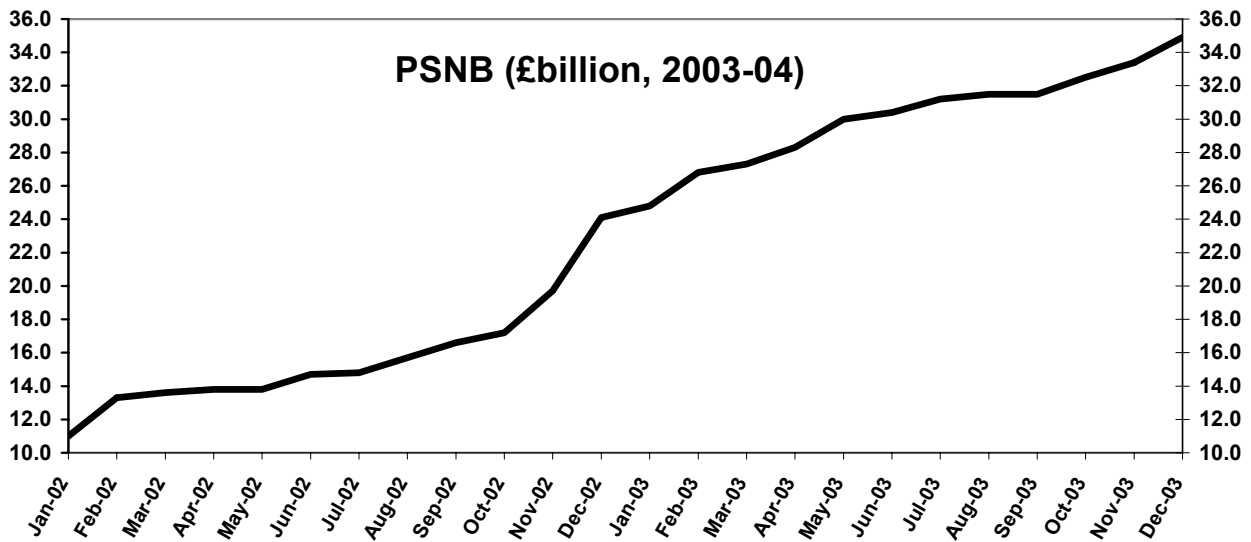
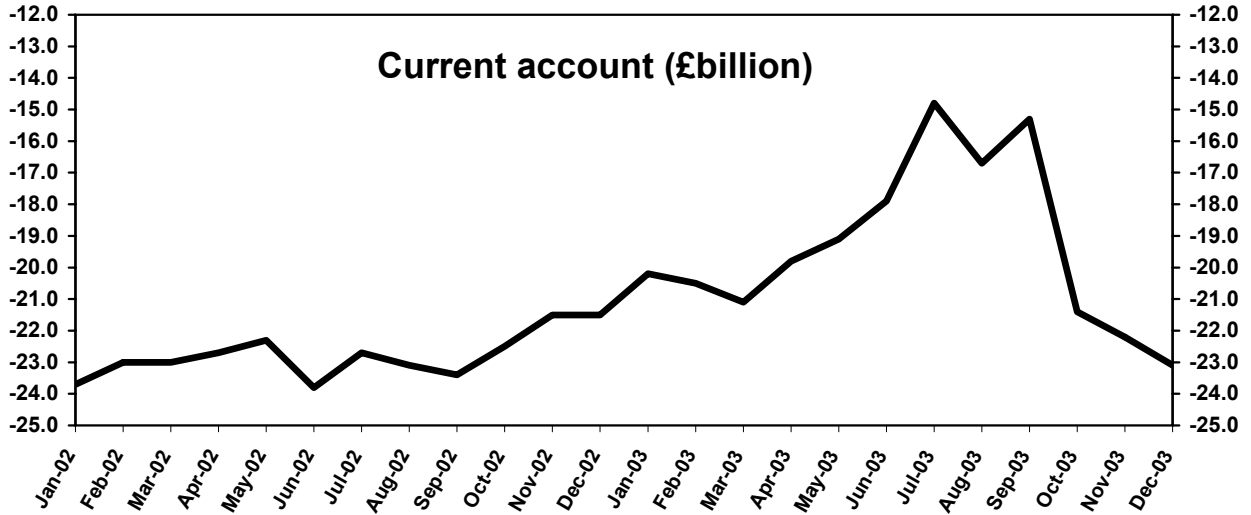
Dec 2003 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2004-05)
City Forecasters								
ABN AMRO	Dec *	-	0.5	0.94	-	-	-19.9	38.2
Bank of America	Dec *	-	-	-	1.8	6.0	-5.0	49.0
Barclays Capital	Dec *	2.6	0.1	0.91	4.1	-	-30.7	31.6 cc
Bridgewell	Dec *	2.7	0.4	0.99	2.0	-	-41.1	46.9
Capital Economics	Nov	1.8	0.3	1.00	3.5	5.0	-15.0	38.0
Citigroup	Nov	3.4	0.7	0.76	0.2	-	-30.5	45.0
Credit Lyonnais	Dec *	-	-	0.85	1.4	6.0	-23.2	36.5
Credit Suisse First Boston	Dec *	-	-	-	-	-	-	33.0
Daiwa Institute of Research	Oct	3.3	0.6	0.95	-	-	-15.6	31.0
Deutsche Bank	Nov	2.7	0.8	0.88	2.2	-	-23.5	34.0
Dresdner Kleinwort Wasserstein	Dec *	-	-	-	-	-	-22.9	41.5
Economic Perspectives	Dec *	0.7	-0.3	1.10	-0.9	5.0	-30.0	38.0
Fortis Bank	Oct	3.3	1.0	0.81	-	-	-16.0	29.0
Goldman Sachs	Dec *	3.4	1.0	3.10 x	3.5	-	-23.4	32.1
Hermes	Nov	-	0.2	0.95	-	-	-10.0	-
HSBC	Nov	2.4	-0.4	1.20	1.5	-	-20.0	30.0
ING Financial Markets	Nov	-	-	-	-	-	-23.1	-
ISIS Asset Management plc	Jun	-	-	1.30	2.4	-	-16.0	-
J P Morgan	Dec *	-	-	-	4.8	-	-21.5	28.0
Lehman Brothers	Dec *	3.2	0.1	0.97	1.1	-	-24.2	38.0
Lombard Street	Oct	3.2	0.1	0.97	0.6	-	-34.2	38.0
Morgan Stanley	Dec *	2.1	-	-	2.3	-	-	33.0
RBSFM	Dec *	2.6	0.4	0.91	1.6	6.3	-27.3	35.9
Schroders Investment Management	Dec *	-	-	3.40 x	3.5	-	-25.0	35.0
Standard Chartered Bank	Oct	2.5	-0.2	0.97	2.5	-	-10.0	35.0
UBS	Dec *	1.8	0.2	0.93	1.9	-	-8.0	36.0
WestLB AG	Dec *	2.6	0.5	0.90	1.5	6.5	-25.0	36.0
Williams de Broe	Dec *	-	1.4	0.77	1.5	10.6	-41.4	38.9
Non-City Forecasters								
Cambridge Econometrics	Nov	3.1	0.1	1.00 k	1.3	2.7 hh	-23.0	29.1 k,cc
CBI	Dec *	2.3	0.6	0.90	2.4	10.9	-22.8	33.7
CEBR	Nov	2.9	-0.1	1.15	1.2	-	-30.2	41.6
Economy.com	Nov	2.5	1.3	0.91	-	-	-41.1	28.0
Experian Business Strategies	Dec *	2.6	0.5	0.90	1.9	4.6	-35.4	35.4
EIU	Oct	1.7	0.2	0.95	1.6	5.4	-18.1	35.2
Global Insight	Aug	-	0.7	-	2.7	-	-10.7	32.9
ITEM Club	Dec *	2.3	0.8	0.87	3.1	6.3	-26.0	36.0
Liverpool Macro Research	Dec *	2.3	0.8	0.87	3.1	6.3	-26.0	36.0 cc
NIESR	Nov	2.3	0.2	0.94 k	2.2	9.0 w	-28.0	38.0
OEF	Nov	3.3	0.6	0.96	2.5	6.8	-17.0	32.6
EC	Nov	-	0.5	-	2.0	-	-24.0	31.0 ee
OECD	Nov	3.3	0.5	5.20 aa	-	-	-3.5 g	2.9 ee,ζ
IMF	Sep	-	0.5	5.20 aa	-	-	-16.1	2.7 ee,ζ
Average of Forecasts made in the last 3 months								
Independent		2.6	0.4	0.94	2.1	6.6	-23.8	36.1
New (marked *)		2.4	0.5	0.91	2.3	6.9	-25.2	37.1
City		2.6	0.4	0.93	2.0	6.5	-22.7	36.5
Range of Forecasts made in the last 3 months								
Highest		3.4	1.4	1.20	4.8	10.9	-5.0	49.0
Lowest		0.7	-0.4	0.76	-0.9	4.6	-41.4	28.0
Median		2.6	0.5	0.93	2.0	6.3	-23.5	36.0
HM Treasury	Dec	2¼ to 2¾	-	-	1¼ to 2¼	7¼ w	-29½	31

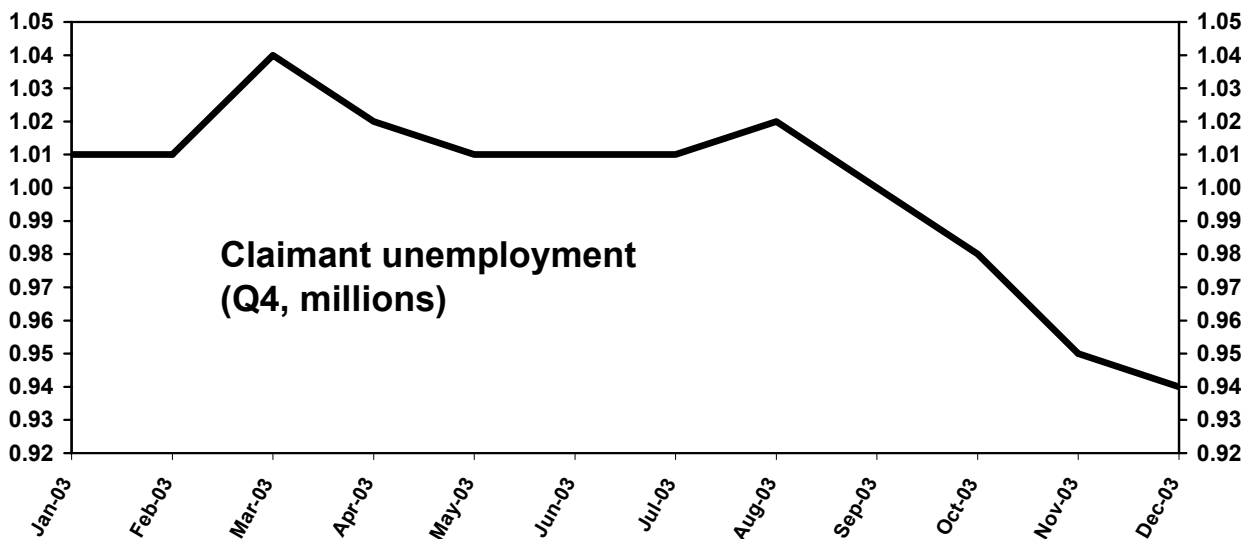
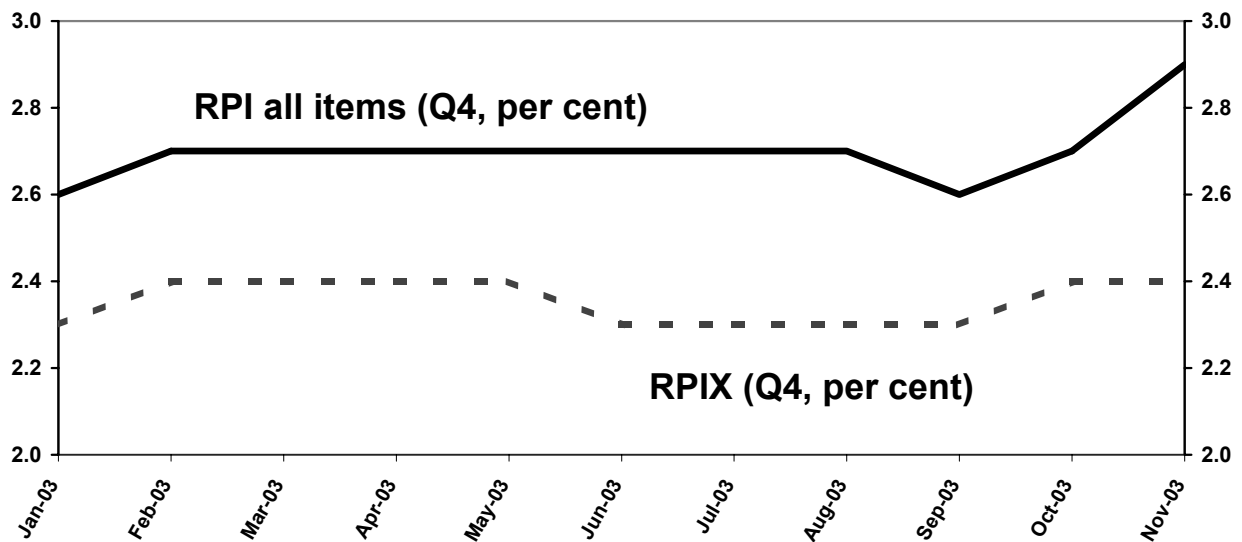
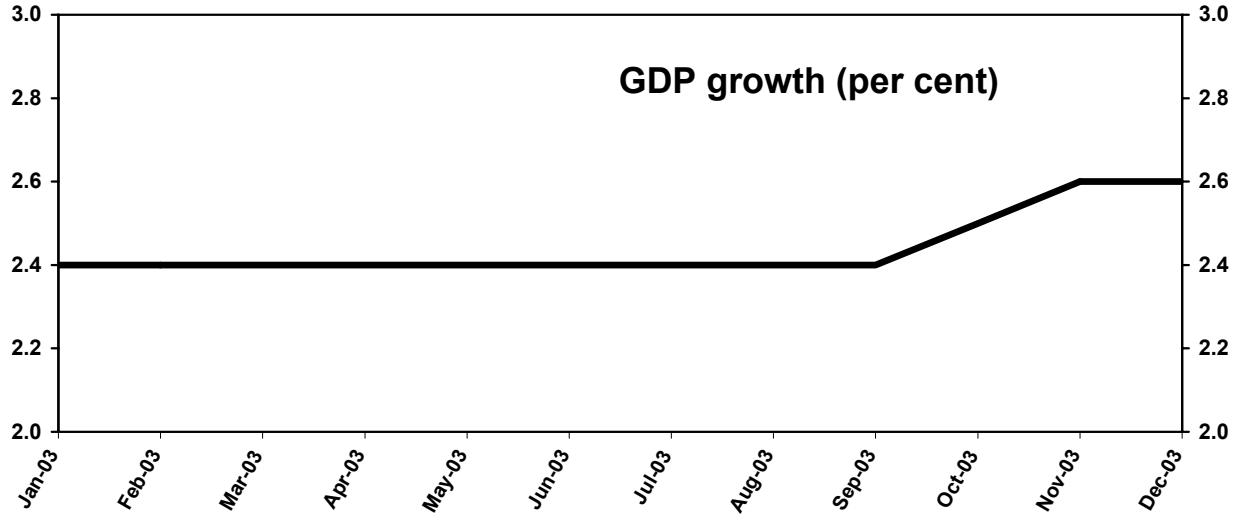
Average of independent forecasts for 2003; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



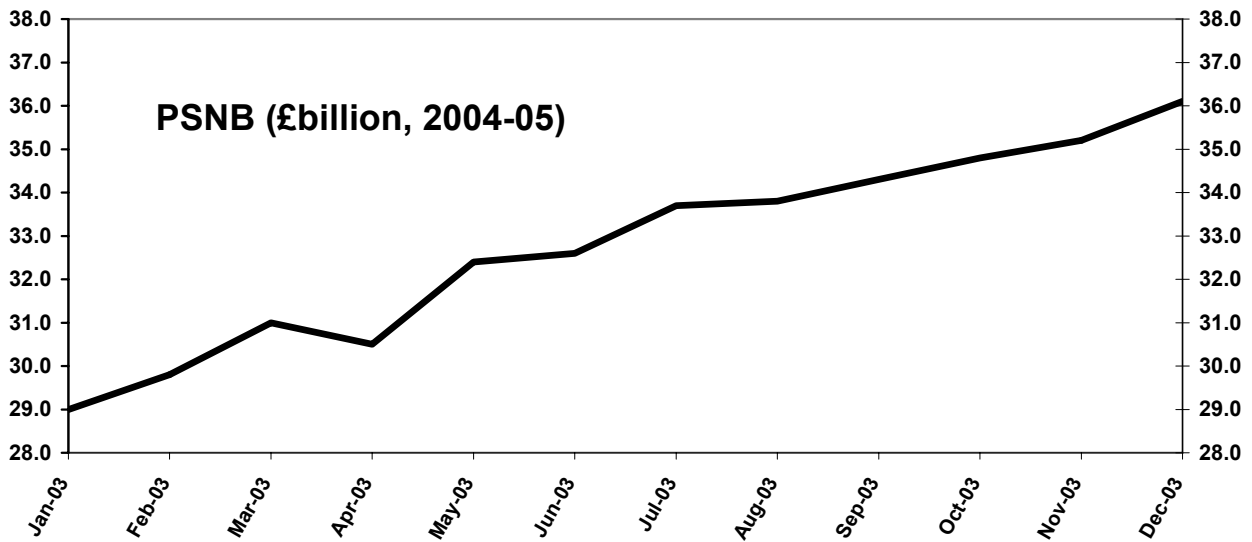
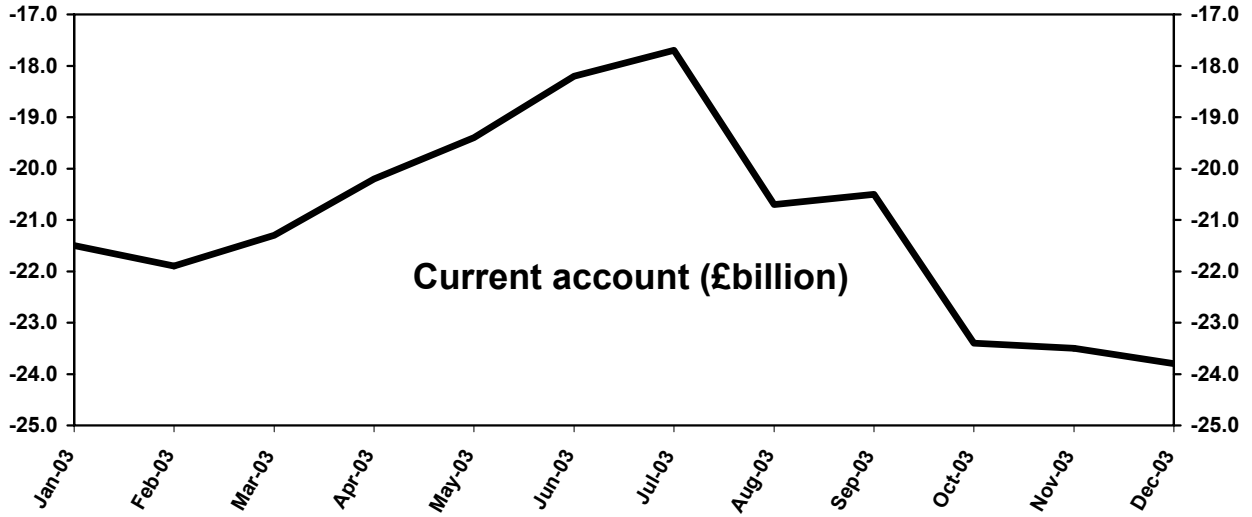
Average of independent forecasts for 2003; Current account and PSNB (2003-04, £billion)



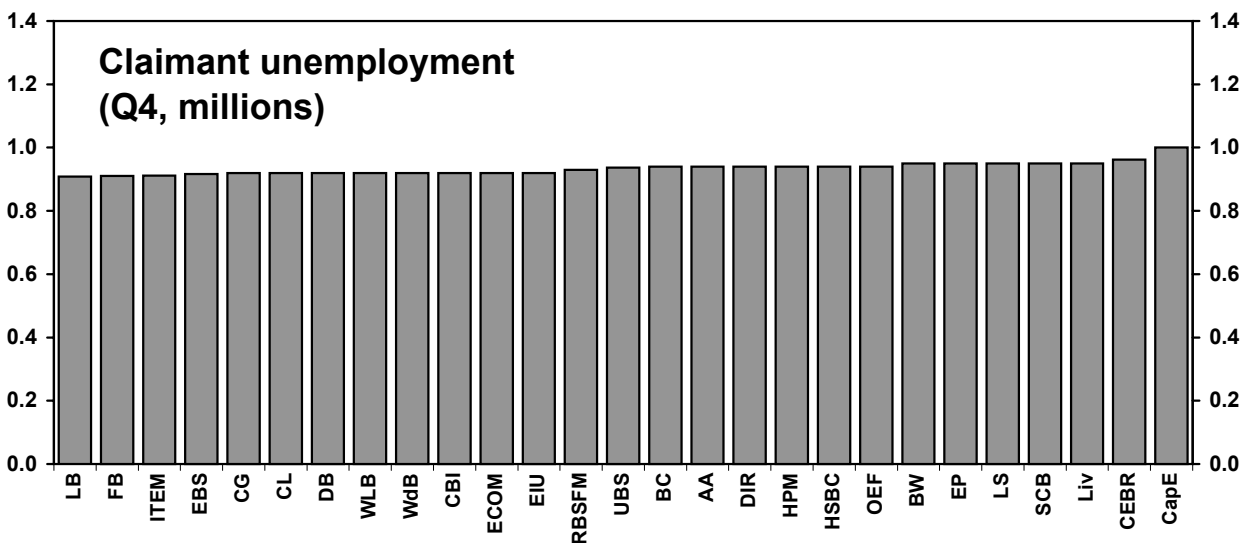
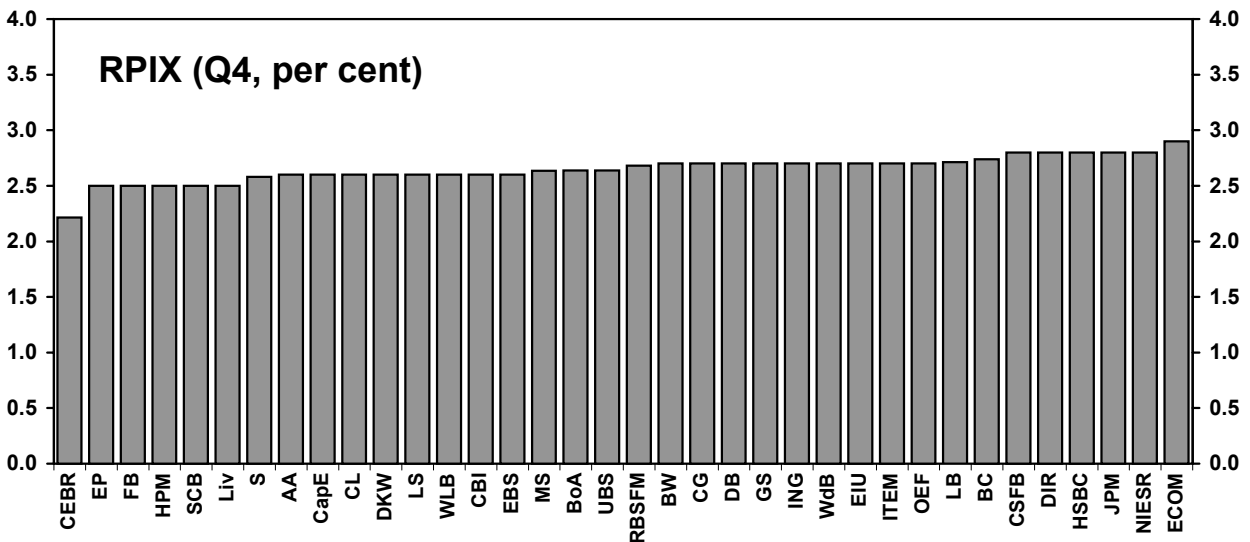
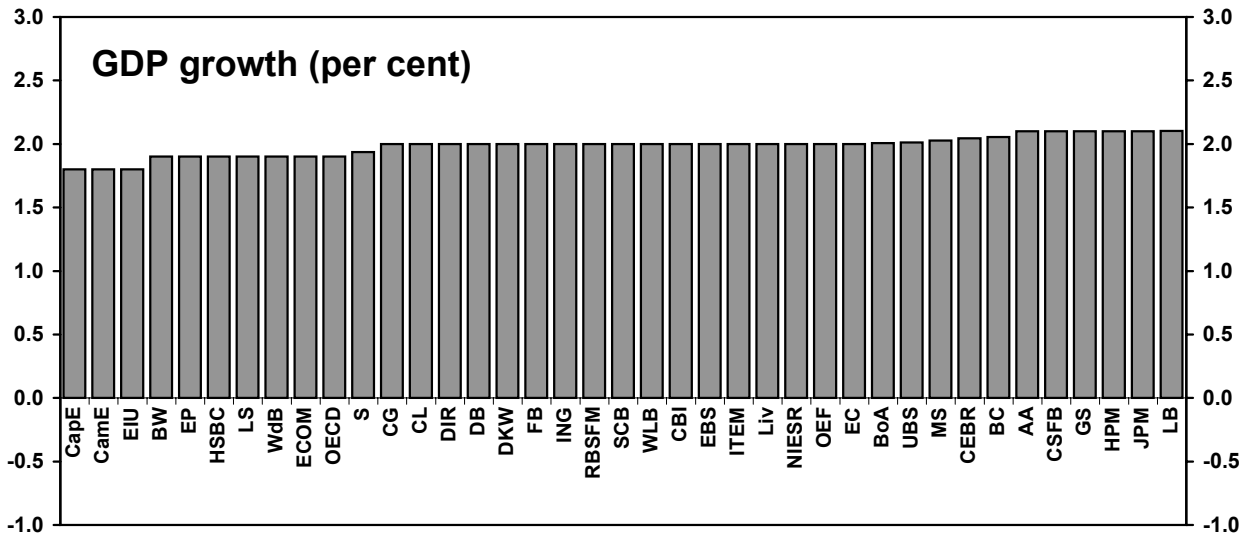
Average of independent forecasts for 2004; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



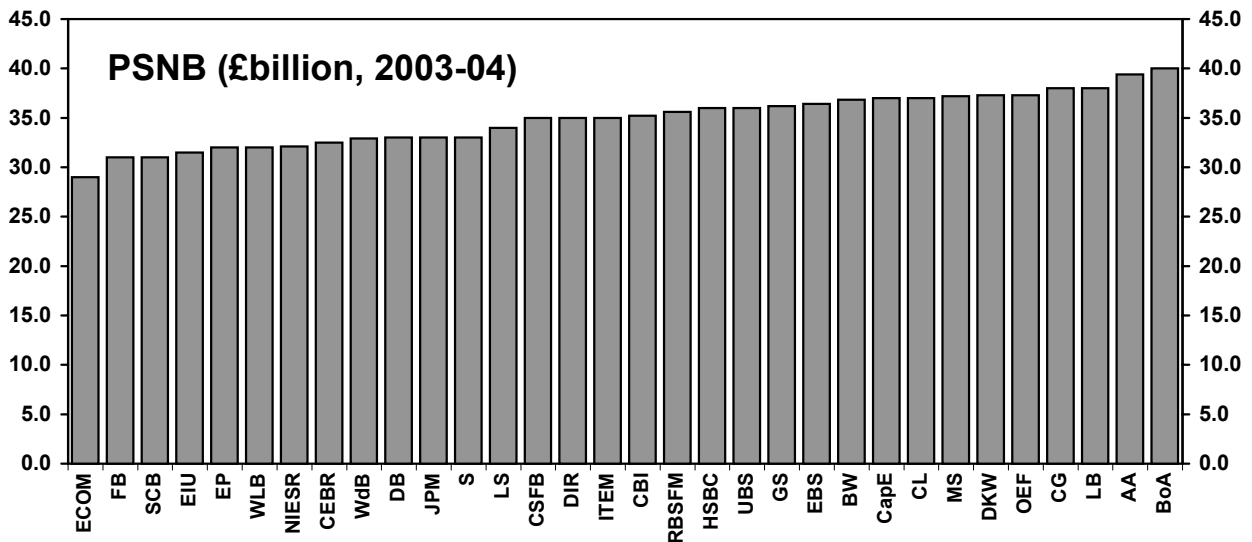
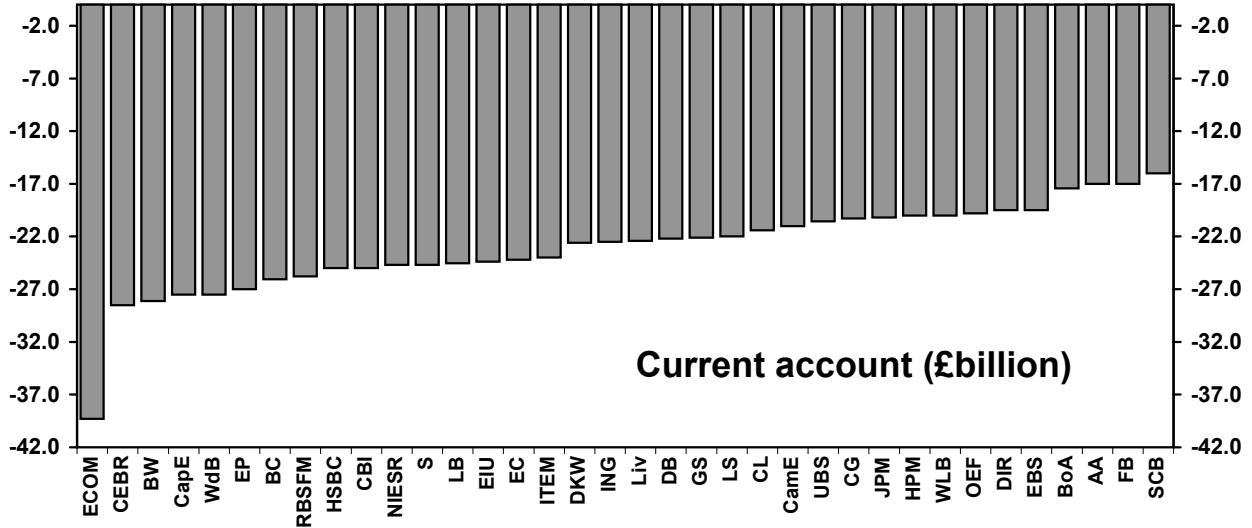
Average of independent forecasts for 2004; Current account and PSNB (2004-05, £billion)



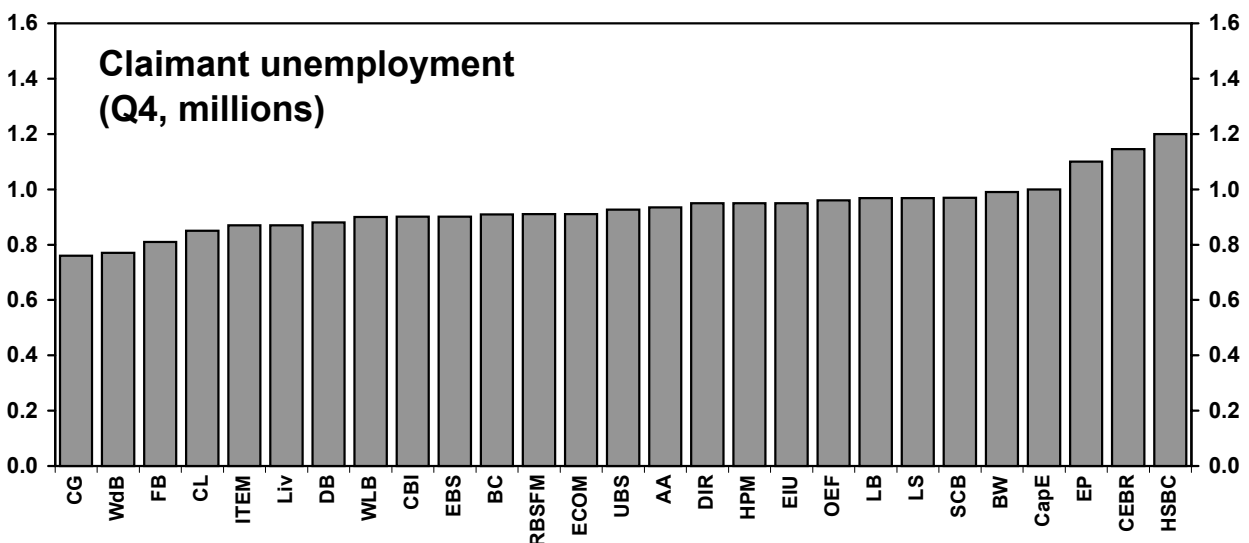
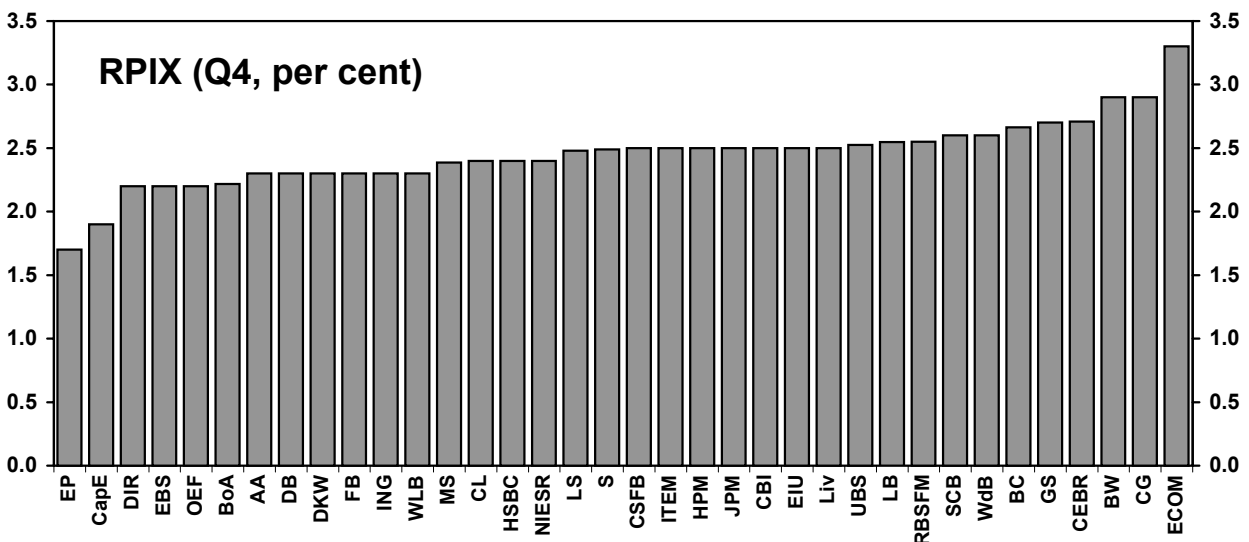
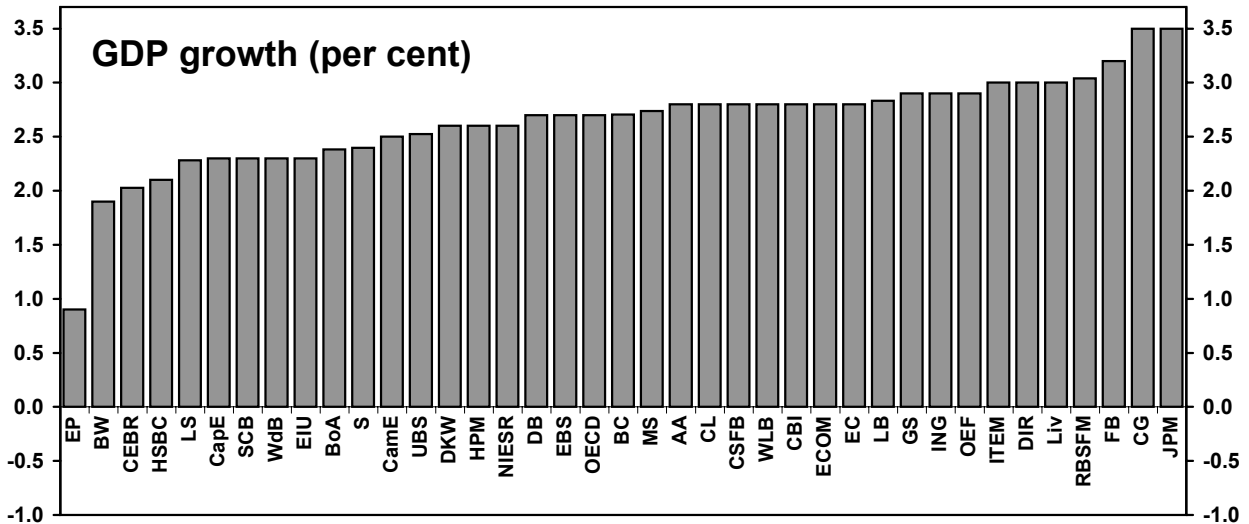
Range of Forecasts for 2003; GDP, RPIX and Claimant Unemployment (millions) made in last 3 months



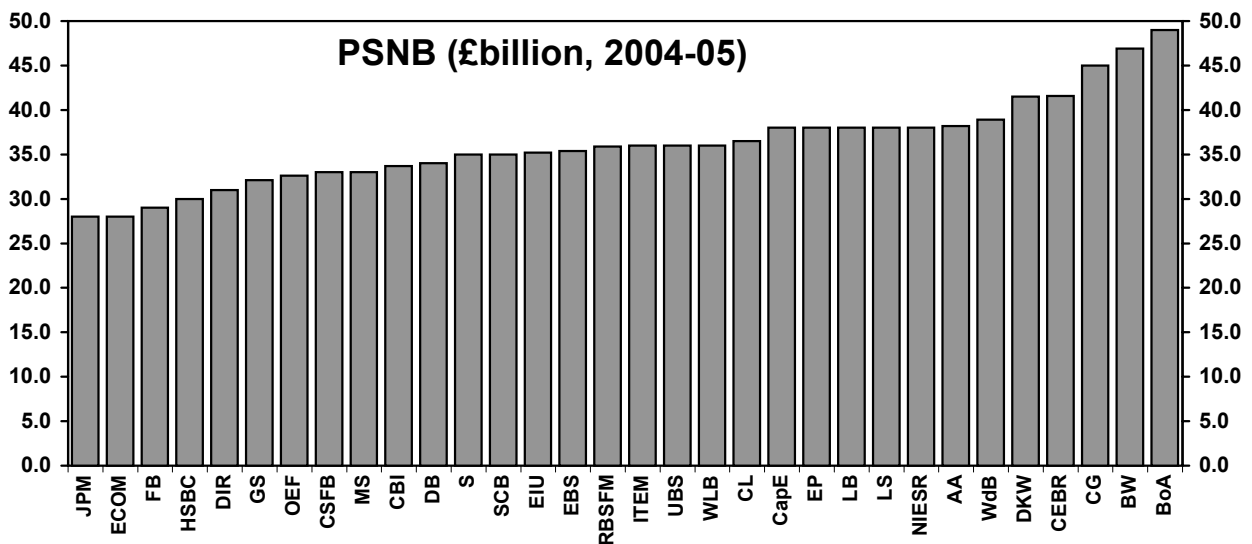
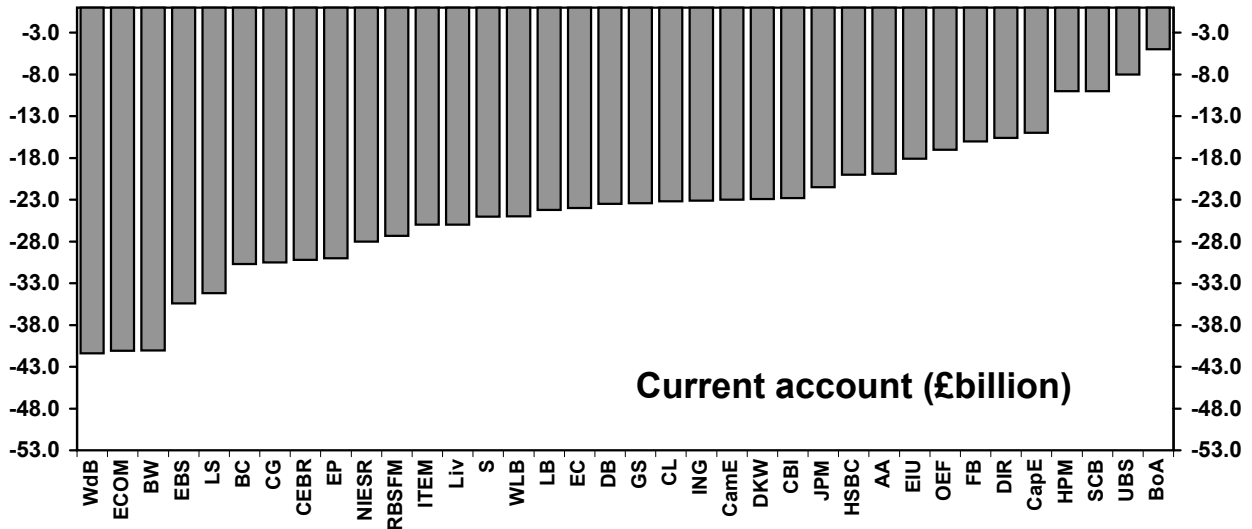
Range of Forecasts for 2003; Current Account (£bn) and PSNB (2003-04, £bn) made in last 3 months



Range of Forecasts for 2004; GDP, RPIX and Claimant Unemployment (millions) made in last 3 months



Range of Forecasts for 2004; Current Account (£bn) and PSNB (2004-05, £bn) made in last 3 months



ANNEX 1: Forecasting institutions referred to in charts and tables

AA:	ABN AMRO
BoA:	Bank of America
BW:	Bridgewell
BZW:	Barclays Capital
CamE:	Cambridge Econometrics
CapE:	Capital Economics Ltd
CG:	Citigroup
CBI:	Confederation of British Industry
CEBR:	Centre for Economics and Business Research Ltd
CL:	Credit Lyonnais
CSFB:	Credit Suisse First Boston
DIR:	Daiwa Institute of Research
DB:	Deutsche Bank
DKW:	Dresdner Kleinwort Wasserstein
EBS:	Experian Business Strategies (previously BSL)
EC:	European Commission
ECOM:	Economy.com Inc
EIU:	Economist Intelligence Unit
EP:	Economic Perspectives
FB:	Fortis Bank
GI:	Global Insight (previously DRI-WEFA)
GS:	Goldman Sachs
HSBC:	HSBC Economics and Strategy
HPM:	Hermes Pension Management Ltd
ING:	ING Financial Markets
IMF:	International Monetary Fund
ISIS:	ISIS Asset Management plc (previously FIS)
ITEM:	ITEM Club
JPM:	JP Morgan Chase
LB:	Lehman Brothers
Liv:	Liverpool Macro Research
LS:	Lombard Street Research Ltd
MS:	Morgan Stanley
NIESR:	National Institute for Economic and Social Research
OECD:	Organisation for Economic Cooperation and Development
OEF:	Oxford Economic Forecasting
RBSFM:	Royal Bank Of Scotland Financial Markets
S:	Schroders Investment Management
SCB:	Standard Chartered Bank
UBS:	UBS
WLB:	WestLB AG
WdB:	Williams de Broë

ANNEX 2: Data Definitions

GDP	National accounts table C2: Code ABMI
Private Consumption	Households + NPISH, National accounts table C2, Code ABJR+HAYO
General Govt consumption	National accounts table C2, Code NMRY
Gross fixed investment	National accounts table C2, Code NPQT
Change in inventories (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 AGBG
Bank of England repo rate (Q4)	(Previously 3 month interbank rate (Q4))
Oil price (\$ per barrel)	Brent crude, annual average
M4 growth	Bank of England Monetary and Financial statistics division Code VQJW, Calendar year (previously financial year)
RHDI	National accounts table J2, Code NRJR
Employment growth	Workforce jobs, Labour Market statistics table 4, Code DYDC
Claimant Unemployment (Q4, mn)	Labour market statistics table 10, code BCJD
Manufacturing Output	National accounts table B1, Code CKYY
World trade in Manufactures	
Current account (£bn)	Balance of payments release table A, Code HBOP
Public Sector Net Borrowing	Public sector finances release table PSF 1 / Public sector accounts table PSAT 1, Code ANNX

ANNEX 3: Notation used in tables

a:	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
u:	general government current and capital expenditure plus stockbuilding
v:	average of spot price of Brent crude and Dubai light crude
w:	world trade in goods and services
x:	claimant unemployment rate
z:	OECD real imports of goods and services
aa:	ILO unemployment rate
bb:	households only
cc:	PSNCR (Formerly PSBR)
dd:	harmonized index of consumer prices (HICP)
ee:	general government financial balance
ff:	gross disposable income deflated by implicit price of private consumption
gg:	1990 Prices
hh:	World GDP
ii:	OPEC average
jj:	Industrial output
kk:	Final domestic demand
ll:	GDP deflator
nn:	VAT fraud adjusted
pp:	% change on previous year
qq:	budget deficit as % of GDP
rr:	employee jobs (code BCAJ)
ss:	financial year- end

ANNEX 4: Organisation Contact Details

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