

# Forecasts for the UK economy

## A comparison of independent forecasts

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December 2007

Compiled by the Macroeconomic Prospects Team

[hm-treasury.gov.uk/forecasts](http://hm-treasury.gov.uk/forecasts)



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***Forecasts for the UK economy* is compiled and coordinated by Jamie Murray. Please direct enquiries on the content of this issue to Jamie Murray (020 7270 5404, [Jamie.Murray@hm-treasury.x.gsi.gov.uk](mailto:Jamie.Murray@hm-treasury.x.gsi.gov.uk)).**

**The next edition will be published on 16th January 2007. It will also be available on the Treasury's website: <http://www.hm-treasury.gov.uk/forecasts>.**

**PU239 ISBN: 978-1-84532-288-5**

# FORECASTS FOR THE UK ECONOMY

## A comparison of independent forecasts, December 2007

This edition of the comparison contains 23 new forecasts, all of which were received between December 5th and December 13th, 2007. The tables below summarise the average and range of independent forecasts for 2007 and 2008 and show the average of this month's new forecasts.

### Forecasts for 2007

	Independent <sup>+</sup>				Average of new* forecasts
	Averages		December		
	December	November	Lowest	Highest	
GDP growth (per cent)	3.1	3.0	2.5	3.3	3.1
Inflation rate (Q4: per cent)					
- CPI	2.0	2.0	1.2	2.3	2.1
- RPI	4.0	3.9	3.5	4.4	4.1
Claimant unemployment (Q4: mn)	0.85	0.86	0.81	1.10	0.85
Current account (£bn)	-43.5	-43.4	-53.2	-38.0	-43.6
PSNB (2007-08: £bn)	36.6	36.2	30.5	40.9	36.4

### Forecasts for 2008

	Independent <sup>+</sup>				Average of new* forecasts
	Averages		December		
	December	November	Lowest	Highest	
GDP growth (per cent)	1.9	2.0	-0.1	3.0	1.8
Inflation rate (Q4: per cent)					
- CPI	2.1	2.1	1.4	3.2	2.1
- RPI	2.5	2.6	1.5	3.8	2.5
Claimant unemployment (Q4: mn)	0.92	0.93	0.74	1.23	0.91
Current account (£bn)	-45.8	-46.2	-59.1	-33.0	-45.4
PSNB (2008-09: £bn)	37.0	36.5	22.8	50.9	37.6

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (December: 23 institutions, November: 8 institutions, October: 5 institution).

\*Calculated from new forecasts received for the comparison this month.

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

**Table I - 2007: Growth in GDP and its components (% change)**

Forecasters and dates of forecasts		GDP	Private consumption	Government consumption	Fixed investment	Change in inventories (£bn)	Domestic demand	Total exports	Total imports	Net trade contribution
<b>City forecasters</b>										
ABN AMRO	Dec *	3.1	3.0	1.7	5.3	4.9	3.4	-4.8	-3.1	-0.4
Bank of America	Oct	3.0	2.9	1.7	5.7	3.1	3.3	-2.0	-0.9	-0.3
Barclays Capital	Dec *	3.1	3.1	1.8	5.6	3.7	3.5	-4.4	-2.3	-0.5
BNP Paribas	Oct	2.8	2.6	1.9	5.2	-	2.8	-6.9	-6.1	-
Capital Economics	Dec *	3.0	3.0	1.7	5.5	0.3	3.3	-5.7	-3.8	-0.3
Citigroup	Nov	3.2	3.0	2.1	5.7	5.8	3.8	-4.8	-2.0	-0.6
Commerzbank	Dec *	3.1	3.1	1.7	5.7	3.9	3.5	-4.4	-2.2	-0.6
Credit Suisse First Boston	Dec *	3.1	3.1	1.6	5.7	4.1	3.5	-4.1	-2.1	-0.5
Daiwa Institute of Research	Nov	3.1	3.0	1.9	5.4	2.0	3.3	-4.4	-2.9	-
Daiwa Securities SMBC	Oct	2.8	2.9	1.5	5.2	-	3.1	-	-	-0.4
Deutsche Bank	Oct	2.9	2.6	2.1	5.1	3.0	3.3	-6.9	-6.0	-0.1
Dresdner Kleinwort Wasserstein	Jun	2.7	2.6	2.5	6.4	-	2.7	-3.3	-2.6	0.0
Fortis Bank	NA	-	-	-	-	-	-	-	-	-
Goldman Sachs	Dec *	3.1	3.1	1.6	5.8	0.3 h	3.5	-4.4	-2.2	-0.6
Hermes	Dec *	3.1	3.1	1.6	5.6	4.0	3.5	-4.0	-2.0	-0.5
HSBC	Oct *	2.9	2.9	1.9	5.3	-	3.2	-5.5	-3.9	-
ING Financial Markets	Dec *	3.1	3.1	1.7	5.8	5.1	3.5	4.1	4.9	-0.5
Ingenious Securities	Dec *	3.2	3.1	1.7	5.5	3.2	3.4	2.1	3.3	-0.4
J P Morgan	NA	-	-	-	-	-	-	-	-	-
Lehman Brothers	Dec *	3.1	3.1	1.8	5.8	3.9	3.6	-4.4	-2.2	-0.6
Lombard Street	Dec *	3.1	2.8	2.5	7.0	-	-	-5.3	-3.6	-
MacroEcon.com	Nov	3.3	3.0	1.6	0.4	-	3.2	1.7 nn	1.6 nn	-
Morgan Stanley	Dec *	3.0	3.0	1.7	5.7	5.7	3.5	-4.3	-2.1	-0.6
RBS Global Banking & Markets	Dec *	3.1	3.2	1.7	5.5	3.9	3.5	-4.4	-2.3	-0.4
Schroders Investment Management	NA	-	-	-	-	-	-	-	-	-
Standard Chartered Bank	Nov	2.8	2.7	1.8	5.5	1.2	2.8	-6.8	-6.1	-0.1
UBS	Dec *	3.1	3.1	1.7	5.6	0.3	3.6	-4.3	-2.1	-0.6
<b>Non-City forecasters</b>										
Beacon Economic Forecasting	Dec *	3.1	3.1	1.7	5.7	4.0	3.5	-4.6	-2.4	-0.7
Cambridge Econometrics	Jun	2.7	2.7	2.4	6.0	1.5	2.9	-4.6	-3.4	-0.1
CBI	Dec *	3.1	3.1	1.7	5.7	3.5	3.5	-4.2	-2.4	-0.5
CEBR	Dec *	3.1	2.8	-	-	-	-	-	-	-
Economic Perspectives	Dec *	3.1	3.1	1.6	5.4	2.9	3.3	-4.4	-2.8	-0.4
Experian Business Strategies	Nov	3.1	3.0	1.7	5.3	4.9	3.4	-4.8	-3.1	-0.4
EIU	Jun	2.6	2.3	2.2	5.6	4.0	2.6	-2.0	-1.4	-0.1
Global Insight	Dec *	3.1	3.1	1.7	5.7	-	3.6	-4.2	-2.0	-0.5
ITEM Club	Nov	3.1	3.0	2.0	5.7	0.0	3.2	-4.3	1.7	-0.3
Liverpool Macro Research	Dec *	2.5	2.6	2.5	1.9	-	-	-	-	-
Moody's Economy	Jun	2.5	2.1	2.0	4.2	1.6	2.1	4.0	3.1	-
NIESR	Nov	3.1	2.9	2.5	5.6	2.9	3.4	-4.4	-2.7	-0.4
Oxford Economics	Dec *	3.1	3.0	1.8	5.4	3.1	3.3	-4.3	-2.9	-0.3
EC	Nov	3.1	3.0	2.0	5.3	1.7	3.3	6.1 nn	6.2 nn	-0.2
OECD	Dec *	3.1	3.1	1.7	5.7	0.3 h	3.3	-4.2	-2.0	-0.6
IMF	Oct	3.1	3.0	1.9	5.6	0.2	3.2	-5.5	-3.8	-0.4
<b>Average of forecasts made in the last 3 months</b>										
Independent		3.1	3.0	1.8	5.3	3.1	3.4	-4.2	-2.3	-0.4
New (marked *)		3.1	3.0	1.8	5.5	3.5	3.5	-3.8	-1.9	-0.5
City		3.0	3.0	1.8	5.4	3.4	3.3	-4.0	-2.4	-0.4
<b>Range of forecasts made in the last 3 months</b>										
Highest		3.3	3.2	2.5	7.0	5.8	3.8	4.1	4.9	-0.1
Lowest		2.5	2.6	1.5	0.4	0.0	2.8	-6.9	-6.1	-0.7
Median		3.1	3.0	1.7	5.6	3.4	3.4	-4.4	-2.3	-0.4
HM Treasury	Oct	3	3	2½	5%	0	3¼	-3¼	-2	-¼

**Table 2 - 2007: Growth in prices and monetary indicators (% change)**

Forecasters and dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average earnings	Sterling index (Q4) (Jan 2005=100)	Official Bank rate (Q4, %)	Oil price (Brent, \$/bbl)	M4
<b>City forecasters</b>									
ABN AMRO	Dec *	1.7	4.2	2.8	4.0	103.0	5.75	69.6	-
Bank of America	Oct	2.1	3.7	2.4	3.8	-	5.75	68.0	12.9
Barclays Capital	Dec *	2.1	4.1	3.0	3.6	102.4	5.67	-	-
BNP Paribas	Oct	1.9	3.9	2.7	3.8	-	5.75	68.0	-
Capital Economics	Dec *	2.2	4.2	3.1	4.2	99.7	5.50	85.0	12.8
Citigroup	Nov	1.9	4.1	3.0	4.4	102.5	5.75	73.2	-
Commerzbank	Dec *	2.0	4.0	3.0	3.9	101.3	5.67	72.3	12.8
Credit Suisse First Boston	Dec *	2.2	4.2	3.1	-	-	5.75	-	-
Daiwa Institute of Research	Nov	2.3	4.2	3.0	3.8	102.1	5.75	72.6	-
Daiwa Securities SMBC	Oct	2.1	-	-	3.9	-	5.75	-	-
Deutsche Bank	Oct	1.9	3.8	-	3.9	102.0	5.75	-	13.0
Dresdner Kleinwort Wasserstein	Jun	1.8	3.8	-	-	-	5.75	-	-
Fortis Bank	NA	-	-	-	-	-	-	-	-
Goldman Sachs	Dec *	2.3	4.2	-	4.1	102.0 j	-	86.0	11.9 j
Hermes	Dec *	2.2	3.6	3.2	4.1	101.0	5.50	-	12.7
HSBC	Oct *	2.1	4.1	2.9	3.8	-	5.50	-	-
ING Financial Markets	Dec *	2.3	4.4	3.3	3.7	-	5.50	85.0	13.0
Ingenious Securities	Dec *	2.3	4.0	3.1	4.0	103.0	5.50	-	13.4
J P Morgan	NA	-	-	-	-	-	-	-	-
Lehman Brothers	Dec *	2.1	4.2	3.1	4.0	98.0	5.50	72.0	-
Lombard Street	Dec *	2.1	4.0	-	-	105.0	5.50	-	12.1
MacroEcon.com	Nov	1.2	3.5	3.7	-	-	5.75	75.0	12.9
Morgan Stanley	Dec *	2.2 k	4.3 k	3.2 k	4.1	100.9	5.50	72.5	-
RBS Global Banking & Markets	Dec *	2.1	4.1	3.0	4.0	101.0	5.67	72.3	-
Schroders Investment Management	NA	-	-	-	-	-	-	-	-
Standard Chartered Bank	Nov	1.9	-	-	4.0	-	5.75	72.0	-
UBS	Dec *	2.1	4.0	3.0	4.0	-	5.25	-	-
<b>Non-City forecasters</b>									
Beacon Economic Forecasting	Dec *	2.0	3.9	2.9	4.0	101.4	5.70	72.3	12.8
Cambridge Econometrics	Jun	2.6 k	4.2 k	2.8 k	4.5 n	103.1 k	5.40 ks	59.5	-
CBI	Dec *	2.1	4.2	3.0	4.0	101.6	5.67	70.4 ii	-
CEBR	Dec *	2.0	4.0	3.2	3.9	104.8	5.50	83.4	-
Economic Perspectives	Dec *	2.1	4.0	3.0	3.9	101.5	5.70	75.0	12.5
Experian Business Strategies	Nov	1.7	4.2	2.8	4.0	103.0	5.75	69.6	-
EIU	Jun	2.1	3.9	-	4.2	103.1	5.75	65.0	8.0
Global Insight	Dec *	2.2	4.2	3.2	4.1	-	5.50	72.3	12.7
ITEM Club	Nov	2.0	3.8	2.7	3.7	105.0	5.75	90.0	12.8
Liverpool Macro Research	Dec *	-	-	2.3	4.5	106.5	5.70	-	-
Moody's Economy	Jun	1.4	3.8	3.2	-	-	5.75	58.7	13.8
NIESR	Nov	1.7	4.2 k	3.1 k	3.3 r	104.1 r	6.00 s	66.6 v	-
Oxford Economics	Dec *	2.0	3.9	2.9	3.8	102.2	5.75	71.9	12.5
EC	Nov	2.2	3.6	-	4.2	-	-	70.6	-
OECD	Dec *	2.3	-	-	-	-	-	-	-
IMF	Oct	2.1 k	-	-	-	-	-	-	-
<b>Average of forecasts made in the last 3 months</b>									
Independent		2.0	4.0	3.0	4.0	102.3	5.64	74.9	12.8
New (marked *)		2.1	4.1	3.0	4.0	102.1	5.58	76.1	12.7
City		2.0	4.0	3.0	4.0	101.7	5.63	74.5	12.8
<b>Range of forecasts made in the last 3 months</b>									
Highest		2.3	4.4	3.7	4.5	106.5	5.75	90.0	13.4
Lowest		1.2	3.5	2.3	3.6	98.0	5.25	68.0	12.1
Median		2.1	4.0	3.0	4.0	102.1	5.70	72.3	12.8
HM Treasury	Oct	2	-	-	-	-	-	-	-

**Table 3 - 2007: Growth in other selected variables (% change)**

Forecasters and dates of forecasts		Real household disposable income	Employment growth	Claimant unemployment (Q4, millions)	Manufacturing output	World trade in manufactures	Current account (£bn)	PSNB (£bn 2007-08)
<b>City forecasters</b>								
ABN AMRO	Dec *	1.1	0.9	5.36 aa	0.8	5.0	-44.9	32.4
Bank of America	Oct	-	-	-	0.9	8.2	-39.5	33.3
Barclays Capital	Dec *	0.7	0.5	0.85	0.7	-	-43.3	36.5
BNP Paribas	Oct	-	0.4	0.84	0.3	-	-53.2	35.0
Capital Economics	Dec *	1.1	0.5	0.88	1.0	7.0	-48.0	38.0
Citigroup	Nov	1.6	0.8	0.83	0.8	-	-44.7	38.3
Commerzbank	Dec *	0.9	0.6	0.81	0.6	6.5 w	-50.8	35.0
Credit Suisse First Boston	Dec *	-	-	-	-	-	-	35.0
Daiwa Institute of Research	Nov	0.7	0.8	0.84	0.9	7.1	-40.7	38.8
Daiwa Securities SMBC	Oct	-	-	-	-	-	-	-
Deutsche Bank	Oct	-	-	0.84	0.7	-	-45.0	34.0
Dresdner Kleinwort Wasserstein	Jun	-	-	-	-	-	-39.0	40.0
Fortis Bank	NA	-	-	-	-	-	-	-
Goldman Sachs	Dec *	-	0.9	1.65 a	0.6	-	-44.3	38.4
Hermes	Dec *	0.6	0.7	0.85	1.0	7.0	-38.0	36.0
HSBC	Oct *	-	-	-	0.6	-	-	-
ING Financial Markets	Dec *	-	-	0.83	0.7	-	-47.0	38.0
Ingenious Securities	Dec *	0.7	0.7	0.84	0.8	-	-41.2	40.5
J P Morgan	NA	-	-	-	-	-	-	-
Lehman Brothers	Dec *	0.8	0.7	0.82	0.9	-	-41.5	40.0
Lombard Street	Dec *	0.9	0.6	-	-	-	-49.5	38.6
MacroEcon.com	Nov	0.8	0.6	0.88	-	-	-40.1	38.0
Morgan Stanley	Dec *	1.2	0.5	-	0.7	-	-	34.3
RBS Global Banking & Markets	Dec *	1.1	0.3	0.84	0.7	6.4	-40.3	30.5
Schroders Investment Management	NA	-	-	-	-	-	-	-
Standard Chartered Bank	Nov	-	-	0.95	-	-	-44.0	37.0
UBS	Dec *	-	-	0.82	0.8	-	-41.7	30.7
<b>Non-City forecasters</b>								
Beacon Economic Forecasting	Dec *	-	0.7	0.82	0.6	5.9	-41.6	38.2
Cambridge Econometrics	Jun	2.3	0.9	0.90 k	0.7	3.1 hh	-38.4	37.4 kcc
CBI	Dec *	1.2	0.9	0.81	0.7	4.4	-40.5	37.5
CEBR	Dec *	-	0.9	0.86	0.6	-	-49.4	37.5
Economic Perspectives	Dec *	0.5	0.8	0.81	1.0	8.0	-38.0	41.0 cc
Experian Business Strategies	Nov	1.1	0.9	0.82	0.8	5.0	-44.9	32.4
EIU	Jun	2.5	0.7	0.87	0.8	7.1	-46.1	38.0
Global Insight	Dec *	1.0	0.5	0.82	0.9	-	-40.0	36.9
ITEM Club	Nov	0.7	0.6	0.85	0.5	7.0	-39.5	39.7
Liverpool Macro Research	Dec *	-	-	1.10	-	-	-48.4	34.1
Moody's Economy	Jun	3.0	0.4	0.94	0.8	-	-29.1	-
NIESR	Nov	0.7	0.8	0.87 k	1.0	6.0 w	-43.2	40.9
Oxford Economics	Dec *	0.7	0.8	0.84	0.8	7.2	-40.4	39.6
EC	Nov	1.4	0.5	1.70 a	0.9	-	-42.8	3.0 eeg
OECD	Dec *	-	-	-	-	-	-	2.9 eeg
IMF	Oct	-	-	-	-	6.3	-3.5 g	38.4
<b>Average of forecasts made in the last 3 months</b>								
Independent		0.9	0.7	0.85	0.8	6.5	-43.5	36.6
New (marked *)		0.9	0.7	0.85	0.8	6.4	-43.6	36.4
City		0.9	0.6	0.85	0.7	6.8	-43.8	36.3
<b>Range of forecasts made in the last 3 months</b>								
Highest		1.6	0.9	1.10	1.0	8.2	-38.0	40.9
Lowest		0.5	0.3	0.81	0.3	4.4	-53.2	30.5
Median		0.9	0.7	0.84	0.8	7.0	-43.0	37.5
HM Treasury	Oct	1½	-	-	1	7½ w	-45½	38

**Table 4 - 2008: Growth in GDP and its components (% change)**

Forecasters and dates of forecasts		GDP	Private consumption	Government consumption	Fixed investment	Change in inventories (£bn)	Domestic demand	Total exports	Total imports	Net trade contribution
<b>City forecasters</b>										
ABN AMRO	Dec *	1.8	1.5	1.3	1.4	2.9	1.4	3.5	2.4	0.2
Bank of America	Oct	2.3	2.0	1.6	2.2	3.4	2.0	7.0	5.6	0.2
Barclays Capital	Dec *	2.0	1.7	2.4	2.4	2.0	1.8	4.3	3.3	0.2
BNP Paribas	Oct	1.6	1.0	2.2	1.4	-	1.4	1.2	0.6	-
Capital Economics	Dec *	2.0	2.0	2.0	3.5	0.3	2.3	1.3	2.3	-0.3
Citigroup	Nov	2.0	1.3	2.8	4.4	6.2	2.2	5.2	5.4	-0.2
Commerzbank	Dec *	1.9	2.1	2.1	2.7	4.0	2.1	5.0	5.5	-0.3
Credit Suisse First Boston	Dec *	2.0	2.1	1.9	3.2	1.9	2.0	6.3	6.0	-0.2
Daiwa Institute of Research	Nov	2.0	1.6	2.4	2.2	2.7	1.9	5.4	4.7	-
Daiwa Securities SMBC	Oct	2.3	2.1	1.1	4.4	-	2.1	-	-	0.1
Deutsche Bank	Oct	1.8	1.9	2.7	2.7	2.3	2.1	2.8	3.9	-0.4
Dresdner Kleinwort Wasserstein	Jun	1.9	1.8	2.1	1.9	-	2.0	3.6	3.5	0.0
Fortis Bank	NA	-	-	-	-	-	-	-	-	-
Goldman Sachs	Dec *	1.9	2.3	1.3	1.0	0.2 h	1.1	3.8	4.3	-0.3
Hermes	Dec *	2.1	2.0	1.7	2.6	3.1	2.0	6.0	4.9	0.1
HSBC	Oct *	1.8	0.9	3.2	1.7	-	1.5	1.7	0.6	-
ING Financial Markets	Dec *	1.6	1.4	2.1	2.1	-2.7	1.7	1.5	1.9	-0.2
Ingenious Securities	Dec *	1.8	1.4	2.0	1.8	2.5	1.5	5.5	4.0	0.2
J P Morgan	NA	-	-	-	-	-	-	-	-	-
Lehman Brothers	Dec *	1.7	1.3	2.6	4.0	1.3	1.8	5.3	5.2	-0.2
Lombard Street	Dec *	1.5	1.0	2.5	1.7	-	-	1.0	1.0	-
MacroEcon.com	Nov	3.0	3.2	1.7	4.7	-	3.2	3.3	3.9	-
Morgan Stanley	Dec *	1.8	1.5	2.5	3.1	5.9	2.0	3.8	4.2	-0.3
RBS Global Banking & Markets	Dec *	2.1	2.4	2.0	2.0	2.0	2.1	4.9	4.7	0.0
Schroders Investment Management	NA	-	-	-	-	-	-	-	-	-
Standard Chartered Bank	Nov	2.2	1.9	2.0	3.0	3.0	2.3	4.1	4.1	-0.1
UBS	Dec *	1.8	1.8	2.2	2.3	0.2	2.1	3.6	4.6	-0.4
<b>Non-City forecasters</b>										
Beacon Economic Forecasting	Dec *	2.1	2.4	2.3	2.9	1.6	2.2	4.4	4.5	-0.2
Cambridge Econometrics	Jun	2.4	2.3	2.2	3.5	1.9	2.6	4.4	4.8	-0.3
CBI	Dec *	2.0	1.9	2.4	1.8	1.0	1.7	4.5	3.3	0.2
CEBR	Dec *	1.7	1.1	-	-	-	-	-	-	-
Economic Perspectives	Dec *	-0.1	0.5	1.1	-0.8	-3.5	-0.1	0.4	0.1	0.1
Experian Business Strategies	Nov	2.1	1.6	1.3	1.4	2.9	1.4	5.4	2.4	0.7
EIU	Jun	2.3	1.9	1.9	3.7	4.0	2.2	5.7	5.0	0.0
Global Insight	Dec *	1.9	1.9	2.1	3.2	-	2.3	4.5	5.5	-0.4
ITEM Club	Nov	2.1	2.0	2.5	1.8	0.0	2.0	4.0	2.8	-0.1
Liverpool Macro Research	Dec *	2.1	2.1	2.4	3.5	-	-	-	-	-
Moody's Economy	Jun	1.7	1.7	1.8	4.2	0.2	2.1	3.7	4.5	-
NIESR	Nov	2.2	1.9	2.5	3.2	4.6	2.4	2.5	3.2	-0.3
Oxford Economics	Dec *	2.3	2.1	2.4	2.3	4.3	2.2	5.7	5.2	0.0
EC	Nov	2.2	2.1	2.1	2.9	1.7	2.2	5.5 nn	5.2 nn	-0.1
OECD	Dec *	2.0	1.7	2.0	1.8	0.1 h	1.8	5.8	5.1	0.0
IMF	Oct	2.3	2.4	2.5	2.1	-0.1	2.4	2.4	2.1	0.0
<b>Average of forecasts made in the last 3 months</b>										
Independent		1.9	1.8	2.1	2.5	2.1	1.9	3.9	3.7	-0.1
New (marked *)		1.8	1.7	2.1	2.3	1.7	1.8	3.9	3.7	-0.1
City		1.9	1.8	2.1	2.6	2.4	1.9	3.9	3.8	-0.1
<b>Range of forecasts made in the last 3 months</b>										
Highest		3.0	3.2	3.2	4.7	6.2	3.2	7.0	6.0	0.7
Lowest		-0.1	0.5	1.1	-0.8	-3.5	-0.1	0.4	0.1	-0.4
Median		2.0	1.9	2.1	2.3	2.2	2.0	4.2	4.1	-0.1
HM Treasury	Oct	2 to 2½	1¾ to 2¼	2½	3¼ to 3¾	-¼ to 0	2 to 2½	4½ to 5	3¾ to 4¼	0

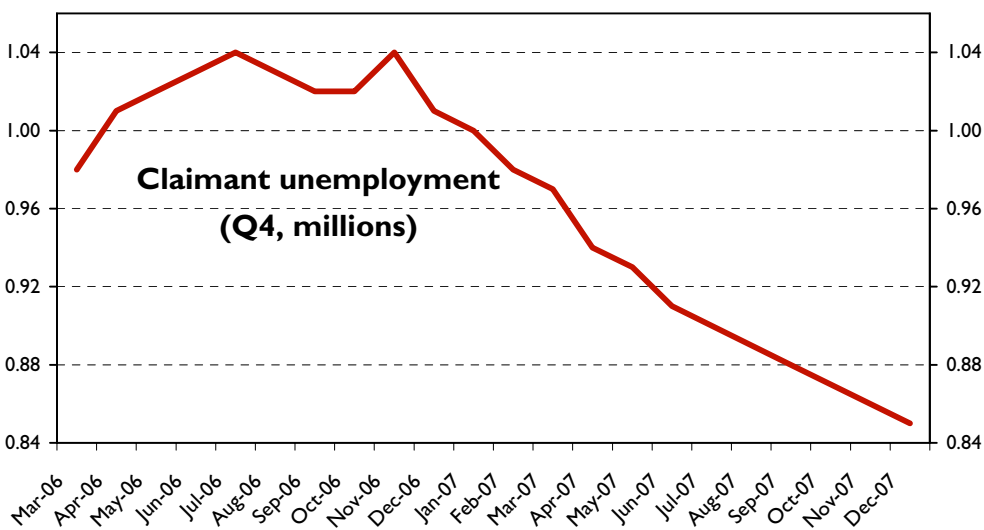
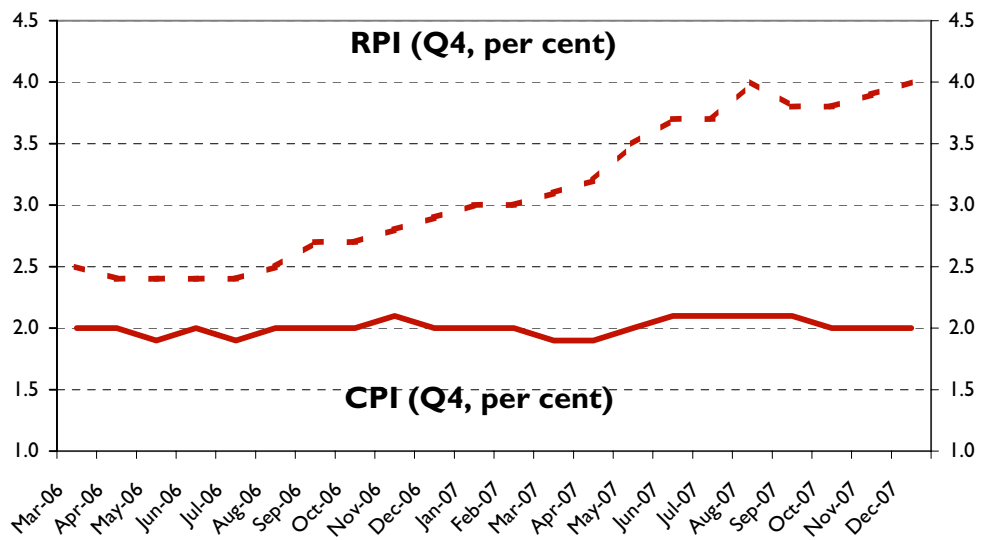
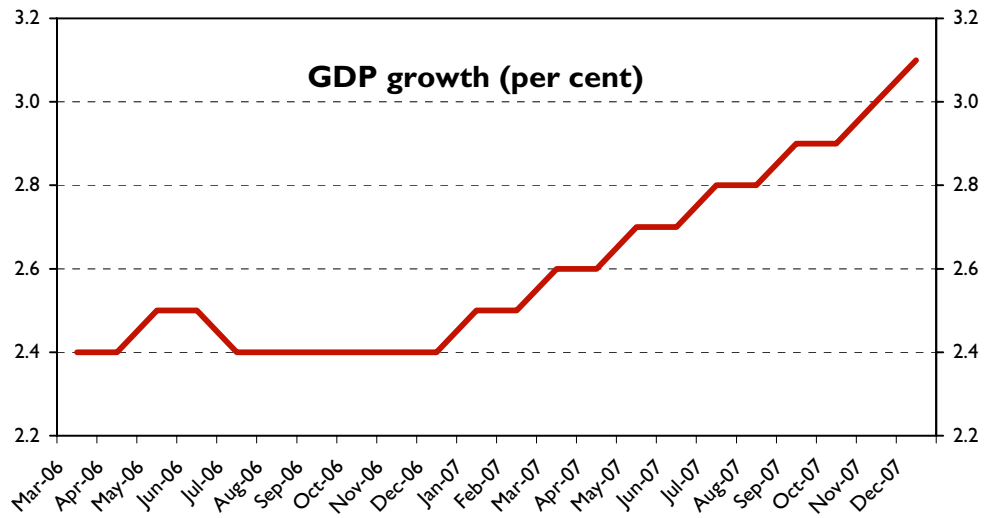
**Table 5 - 2008: Growth in prices and monetary indicators (% change)**

Forecasters and dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average earnings	Sterling index (Q4) (Jan 2005=100)	Official Bank rate (Q4, %)	Oil price (Brent, \$/bbl)	M4
<b>City forecasters</b>									
ABN AMRO	Dec *	2.5	3.0	2.9	4.0	103.9	5.00	79.4	-
Bank of America	Oct	1.9	2.5	1.9	3.7	-	4.75	70.0	9.4
Barclays Capital	Dec *	2.3	2.1	2.3	3.6	96.8	5.00	-	-
BNP Paribas	Oct	2.3	2.5	2.3	4.3	-	5.25	72.6	-
Capital Economics	Dec *	1.8	2.4	2.5	4.3	94.5	4.50	70.0	10.0
Citigroup	Nov	1.7	2.5	2.9	4.5	101.7	5.00	94.3	-
Commerzbank	Dec *	2.0	2.4	2.4	3.9	99.4	5.00	75.8	7.7
Credit Suisse First Boston	Dec *	2.1	2.1	2.6	-	-	4.75	-	-
Daiwa Institute of Research	Nov	2.2	2.4	2.7	4.2	102.4	5.00	85.0	-
Daiwa Securities SMBC	Oct	2.0	-	-	4.0	-	5.50	-	-
Deutsche Bank	Oct	1.8	2.1	-	3.7	97.0	5.25	-	9.5
Dresdner Kleinwort Wasserstein	Jun	2.0	2.2	-	-	-	5.00	-	-
Fortis Bank	NA	-	-	-	-	-	-	-	-
Goldman Sachs	Dec *	2.1	3.5	-	4.2	102.0 j	-	85.0	10.3 j
Hermes	Dec *	2.2	3.1	3.0	4.0	101.0	4.75	-	10.0
HSBC	Oct *	1.6	1.7	2.1	3.4	-	4.50	-	-
ING Financial Markets	Dec *	1.4	1.5	2.0	4.0	-	4.75	70.0	9.0
Ingenious Securities	Dec *	2.5	2.9	3.2	4.2	99.4	5.25	-	11.0
J P Morgan	NA	-	-	-	-	-	-	-	-
Lehman Brothers	Dec *	2.4	2.3	3.0	4.1	95.3	5.00	84.0	-
Lombard Street	Dec *	2.2	2.8	-	-	100.0	4.75	-	6.8
MacroEcon.com	Nov	3.2	3.8	3.7	-	-	6.25	81.0	13.2
Morgan Stanley	Dec *	2.0 k	2.2 k	2.4 k	4.2	96.8	5.25	78.8	-
RBS Global Banking & Markets	Dec *	2.0	2.5	2.9	3.9	99.6	5.00	85.3	-
Schroders Investment Management	NA	-	-	-	-	-	-	-	-
Standard Chartered Bank	Nov	2.0	-	-	4.0	-	5.25	66.0	-
UBS	Dec *	2.0	2.3	2.9	4.3	-	5.25	-	-
<b>Non-City forecasters</b>									
Beacon Economic Forecasting	Dec *	2.9	3.3	3.6	4.3	94.8	5.50	88.0	10.2
Cambridge Econometrics	Jun	2.1 k	2.5 k	2.2 k	4.4 n	103.5 k	5.20 ks	57.5	-
CBI	Dec *	2.4	2.9	3.2	4.0	101.5	5.25	92.5 ii	-
CEBR	Dec *	1.7	2.6	-	3.6	103.2	4.75	71.2	-
Economic Perspectives	Dec *	2.3	2.4	2.6	3.7	98.0	4.50	70.0	7.0
Experian Business Strategies	Nov	2.5	3.0	2.9	4.0	103.9	5.50	79.4	-
EIU	Jun	2.0	3.1	-	4.0	101.9	5.00	60.3	5.9
Global Insight	Dec *	1.9	2.2	2.4	4.2	-	5.00	74.8	9.1
ITEM Club	Nov	2.0	1.5	2.3	4.2	104.0	5.00	60.0	8.3
Liverpool Macro Research	Dec *	-	-	2.3	4.3	107.7	5.40	-	-
Moody's Economy	Jun	1.5	2.7	3.1	-	-	5.25	50.7	12.6
NIESR	Nov	2.0	3.0 k	2.6 k	4.4 r	103.5 r	5.40 s	70.9 v	-
Oxford Economics	Dec *	1.9	2.2	2.5	4.2	103.1	5.08	78.4	6.4
EC	Nov	2.0	3.4	-	4.3	-	-	78.8	-
OECD	Dec *	2.2	-	-	-	-	-	-	-
IMF	Oct	2.0 k	-	-	-	-	-	-	-
<b>Average of forecasts made in the last 3 months</b>									
Independent		2.1	2.5	2.7	4.0	100.2	5.06	77.2	9.1
New (marked *)		2.1	2.5	2.7	4.0	99.7	4.96	77.7	8.7
City		2.1	2.5	2.7	4.0	99.1	5.04	78.4	9.6
<b>Range of forecasts made in the last 3 months</b>									
Highest		3.2	3.8	3.7	4.5	107.7	6.25	94.3	13.2
Lowest		1.4	1.5	1.9	3.4	94.5	4.50	60.0	6.4
Median		2.0	2.5	2.6	4.1	100.0	5.00	78.6	9.3
HM Treasury	Oct	2	-	-	-	-	-	-	-

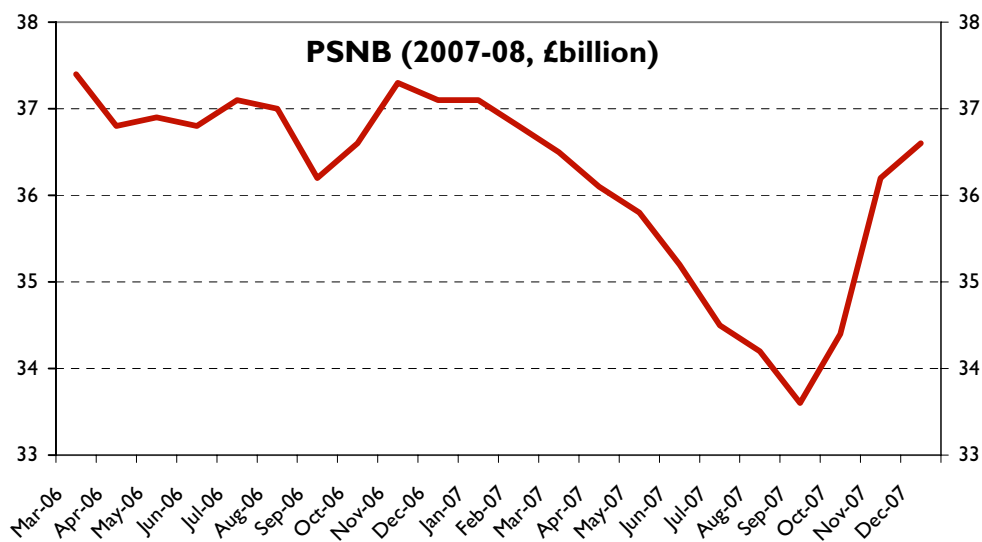
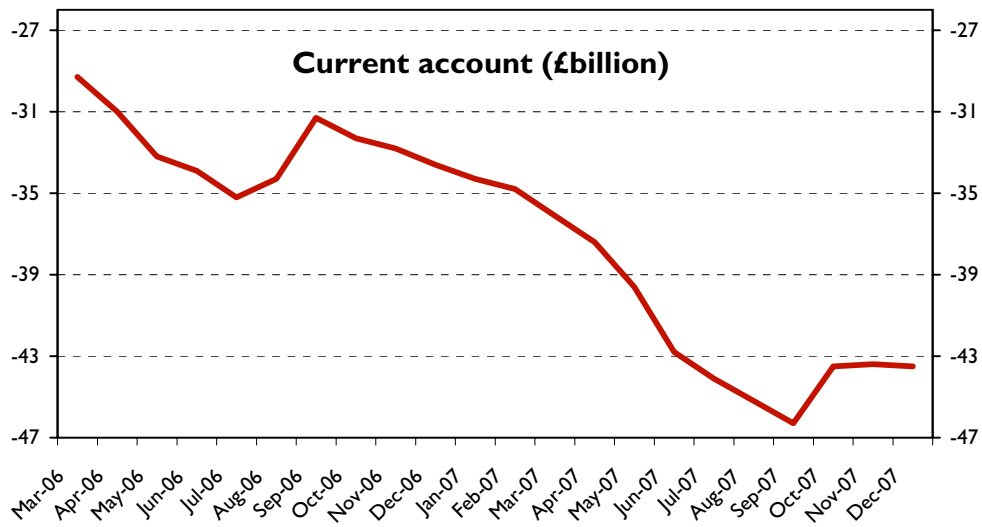
**Table 6 - 2008: Growth in other selected variables (% change)**

Forecasters and dates of forecasts		Real household disposable income	Employment growth	Claimant unemployment (Q4, millions)	Manufacturing output	World trade in manufactures	Current account (£bn)	PSNB (£bn 2008-09)
<b>City forecasters</b>								
ABN AMRO	Dec *	2.0	0.4	5.78 aa	0.8	7.0	-50.1	25.0
Bank of America	Oct	-	-	-	1.0	8.2	-36.5	29.0
Barclays Capital	Dec *	2.4	0.8	0.81	1.7	-	-45.7	42.0
BNP Paribas	Oct	-	0.2	0.90	-0.4	-	-58.2	40.0
Capital Economics	Dec *	2.6	0.8	0.86	0.5	7.5	-53.0	38.0
Citigroup	Nov	3.5	0.8	0.90	0.9	-	-45.1	43.7
Commerzbank	Dec *	2.1	0.6	0.80	0.0	6.8 w	-50.7	26.0
Credit Suisse First Boston	Dec *	-	-	-	-	-	-	36.0
Daiwa Institute of Research	Nov	2.3	0.7	1.00	1.0	6.3	-43.3	38.2
Daiwa Securities SMBC	Oct	-	-	-	-	-	-	-
Deutsche Bank	Oct	-	-	0.91	-0.1	-	-47.5	32.0
Dresdner Kleinwort Wasserstein	Jun	-	-	-	-	-	-39.0	43.0
Fortis Bank	NA	-	-	-	-	-	-	-
Goldman Sachs	Dec *	-	0.7	1.60 a	0.8	-	-45.6	38.7
Hermes	Dec *	1.0	0.1	0.90	0.0	6.8	-38.0	38.0
HSBC	Oct *	-	-	-	1.2	-	-	-
ING Financial Markets	Dec *	-	-	0.92	0.3	-	-49.0	38.5
Ingenious Securities	Dec *	1.8	0.1	0.93	1.7	-	-47.5	50.9
J P Morgan	NA	-	-	-	-	-	-	-
Lehman Brothers	Dec *	1.8	0.7	0.87	-0.3	-	-47.3	45.0
Lombard Street	Dec *	1.9	0.6	-	-	-	-48.6	38.5
MacroEcon.com	Nov	3.2	0.8	0.81	-	-	-41.7	39.8
Morgan Stanley	Dec *	1.5	0.3	-	0.2	-	-	30.9
RBS Global Banking & Markets	Dec *	3.1	0.4	0.93	-0.3	5.2	-38.1	34.7
Schroders Investment Management	NA	-	-	-	-	-	-	-
Standard Chartered Bank	Nov	-	-	1.20	-	-	-50.0	35.0
UBS	Dec *	-	-	0.83	0.4	-	-44.0	41.7
<b>Non-City forecasters</b>								
Beacon Economic Forecasting	Dec *	-	1.1	0.74	-0.6	8.4	-59.1	44.1
Cambridge Econometrics	Jun	2.7	0.6	1.00 k	0.9	3.2 hh	-37.6	35.5 kcc
CBI	Dec *	2.6	0.5	0.81	0.3	5.1	-40.2	36.2
CEBR	Dec *	-	0.5	0.96	-1.2	-	-38.2	35.4
Economic Perspectives	Dec *	-0.3	-0.5	1.05	-0.4	4.0	-33.0	45.0 cc
Experian Business Strategies	Nov	2.7	0.8	0.86	1.2	8.1	-50.1	22.8
EIU	Jun	2.3	0.6	0.89	0.9	7.9	-45.1	35.3
Global Insight	Dec *	2.5	0.4	0.91	0.8	-	-40.8	40.6
ITEM Club	Nov	2.0	0.4	0.90	0.5	6.0	-41.6	40.0
Liverpool Macro Research	Dec *	-	-	1.23	-	-	-50.9	33.4
Moody's Economy	Jun	3.8	0.2	0.97	1.2	-	-27.7	-
NIESR	Nov	3.9	0.4	0.90 k	2.3	6.9 w	-47.4	37.2
Oxford Economics	Dec *	2.5	0.7	0.97	0.9	6.7	-42.1	37.9
EC	Nov	2.5	0.4	1.74 a	0.8	-	-49.9	3.0 eeg
OECD	Dec *	-	-	- aa	-	-	-	3.4 eeg
IMF	Oct	-	-	- aak	-	6.9	-3.6 g	38.5
<b>Average of forecasts made in the last 3 months</b>								
Independent		2.3	0.5	0.92	0.5	6.6	-45.8	37.0
New (marked *)		2.0	0.5	0.91	0.4	6.3	-45.4	37.6
City		2.2	0.5	0.90	0.5	6.8	-45.9	37.5
<b>Range of forecasts made in the last 3 months</b>								
Highest		3.9	1.1	1.23	2.3	8.4	-33.0	50.9
Lowest		-0.3	-0.5	0.74	-1.2	4.0	-59.1	22.8
Median		2.4	0.5	0.90	0.5	6.8	-46.5	38.0
HM Treasury	Mar	1¼ to 2¼	-	-	1½ to 2	7¼ w	-45¼	36

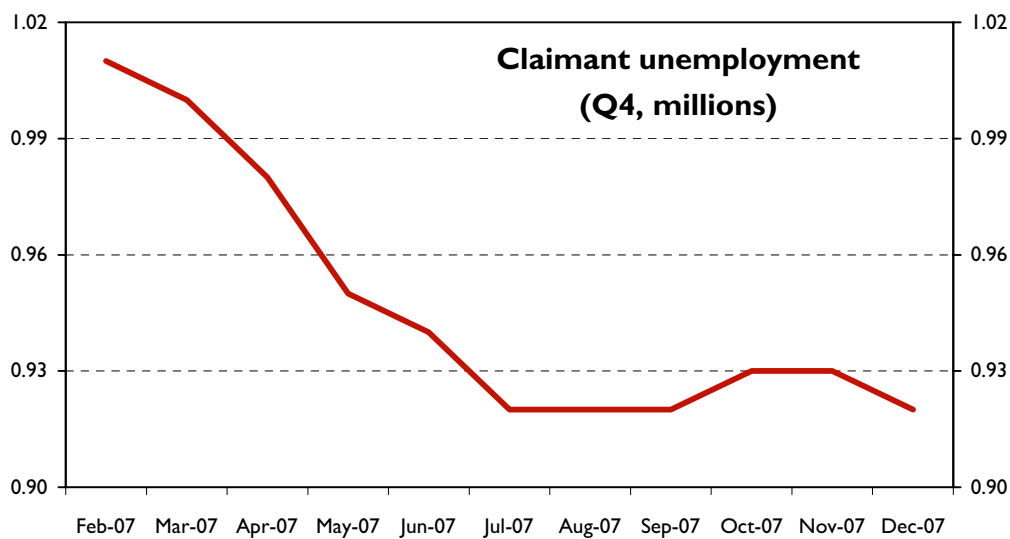
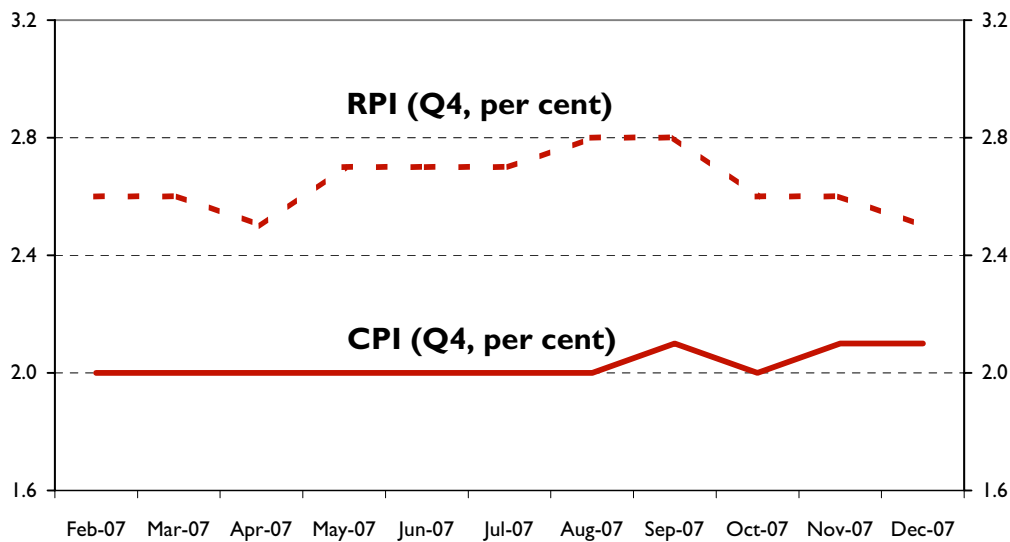
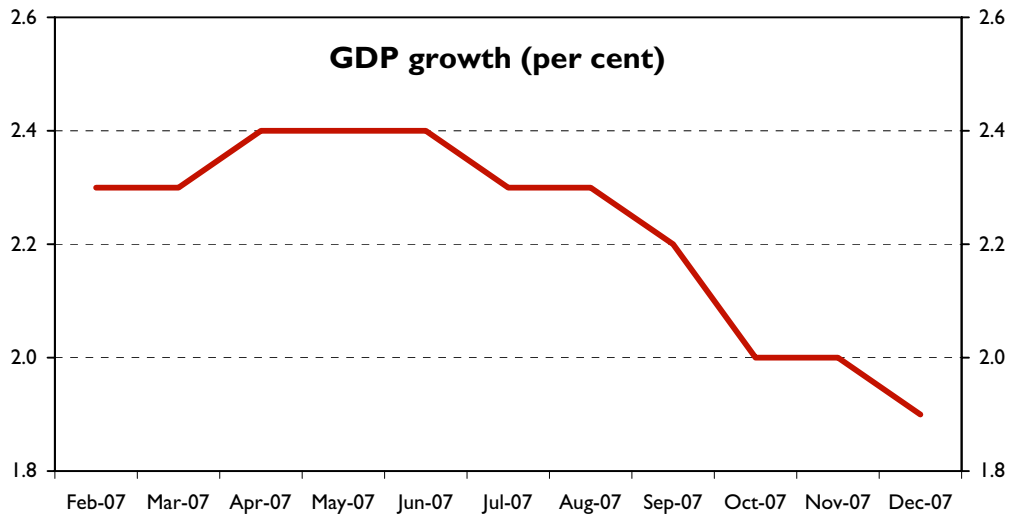
## Average of independent forecasts for 2007; GDP growth, CPI and RPI inflation and claimant unemployment



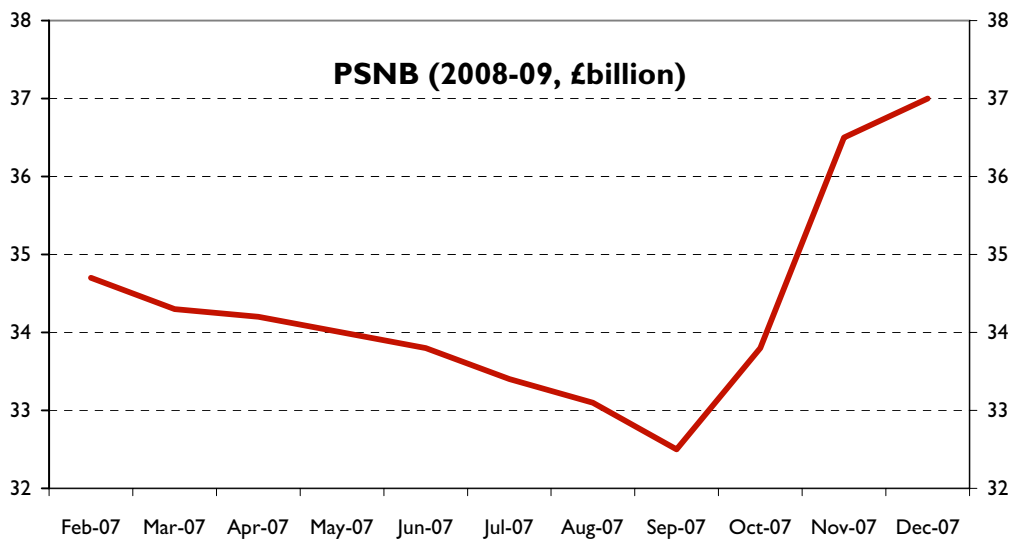
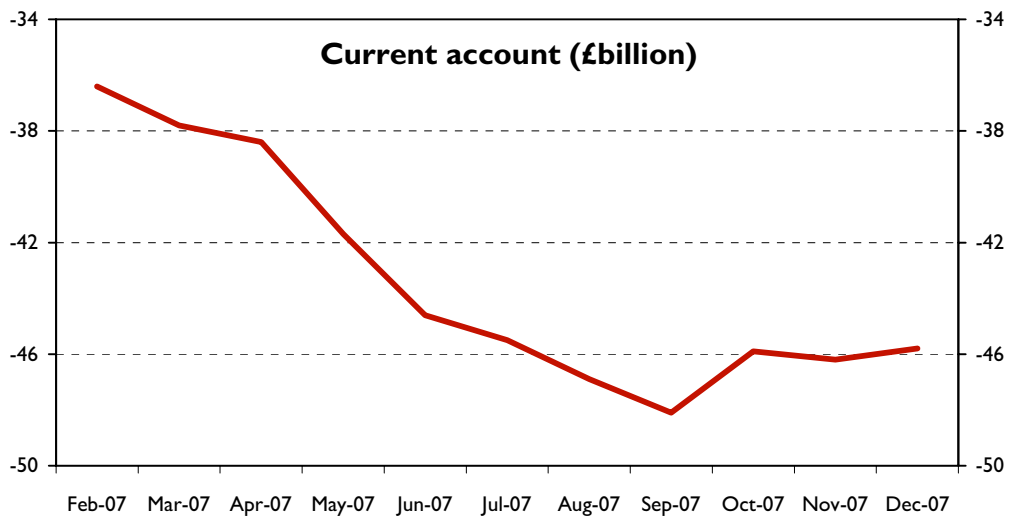
**Average of independent forecasts for 2007; Current account and PSNB (2007-08)**



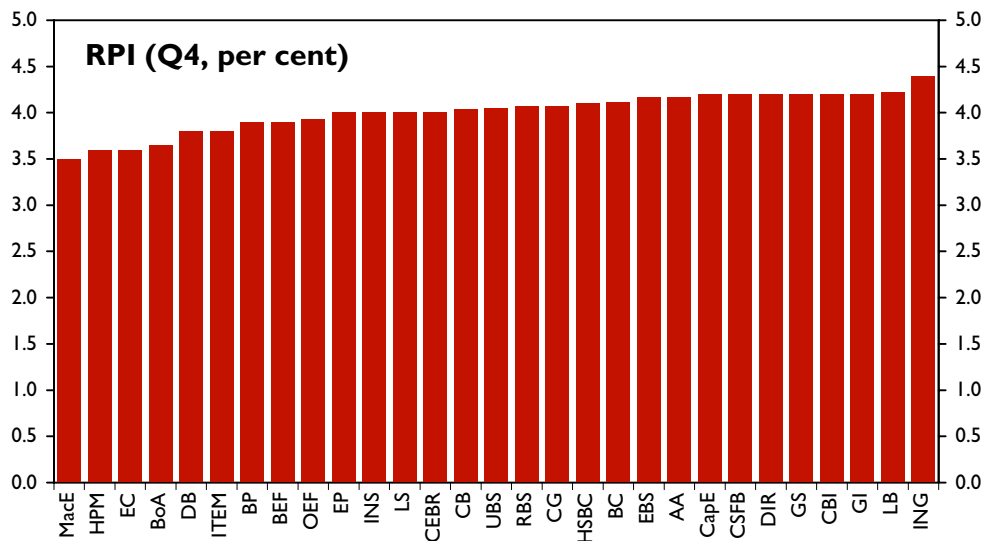
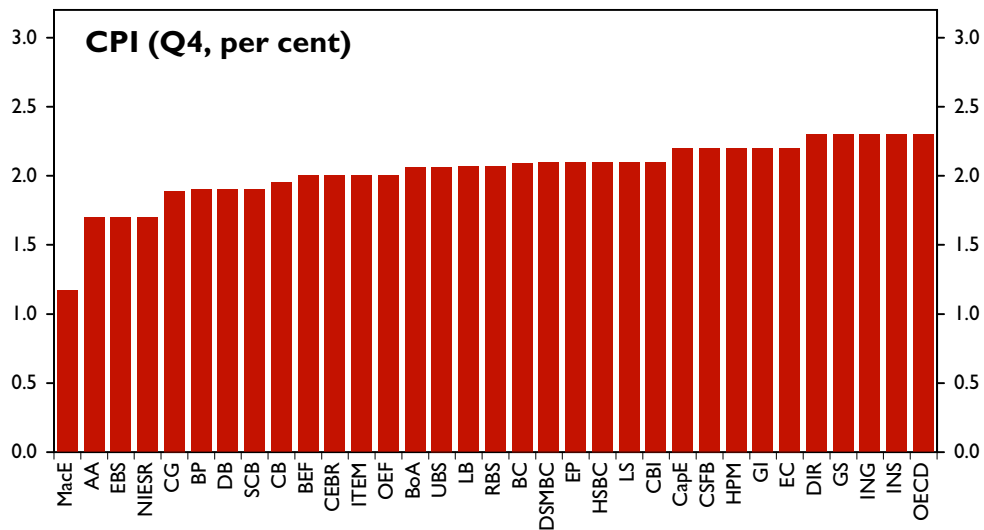
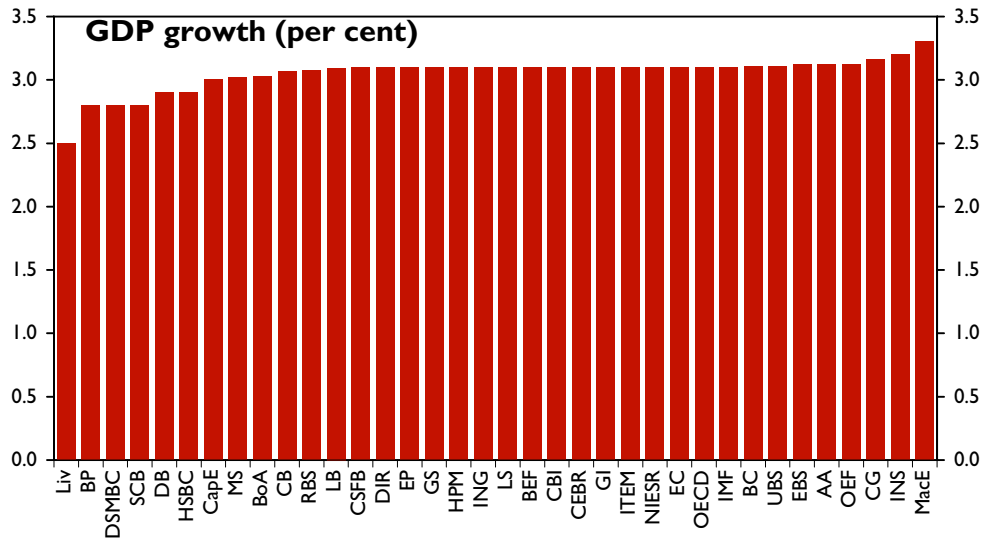
**Average of independent forecasts for 2008; GDP growth, CPI and RPI inflation and claimant unemployment**



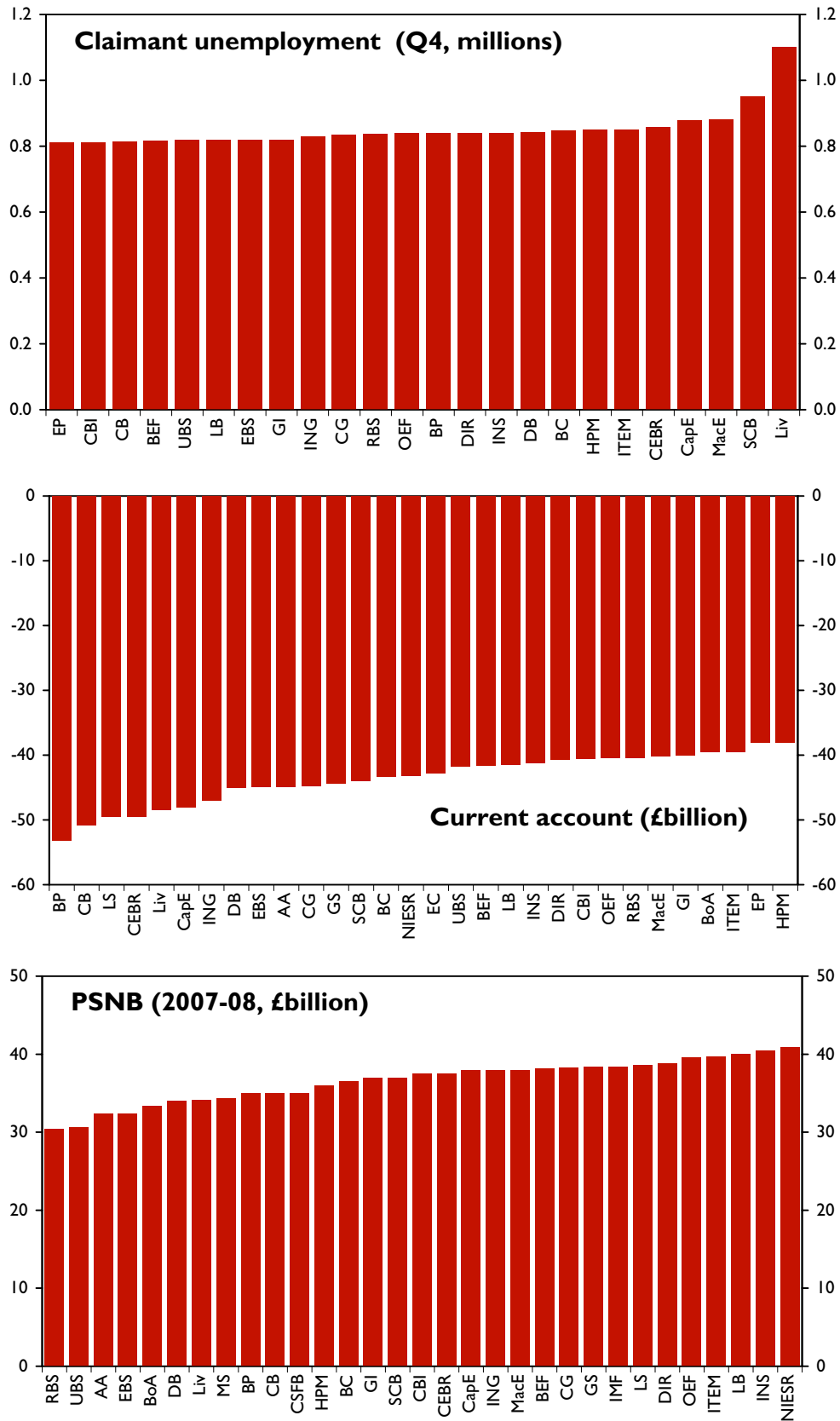
## Average of independent forecasts for 2008; Current account and PSNB (2008-09)



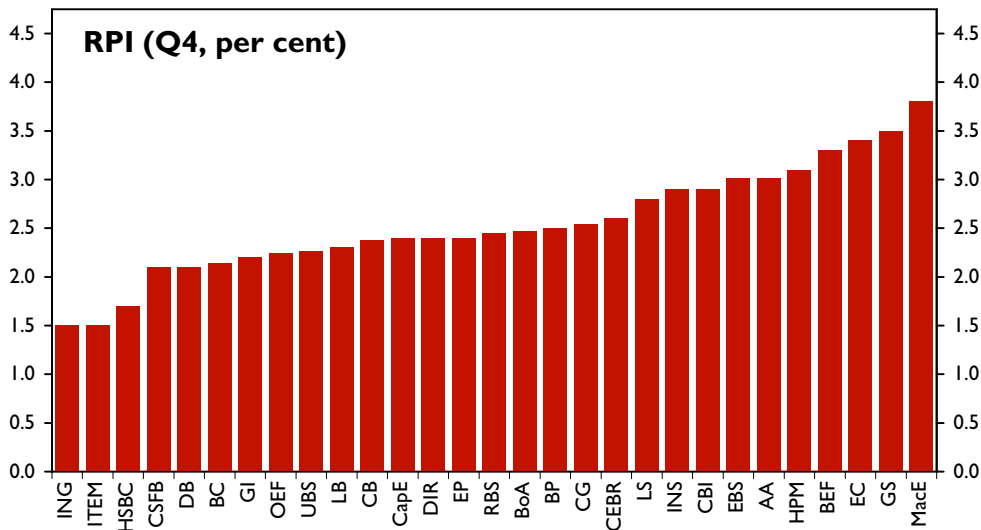
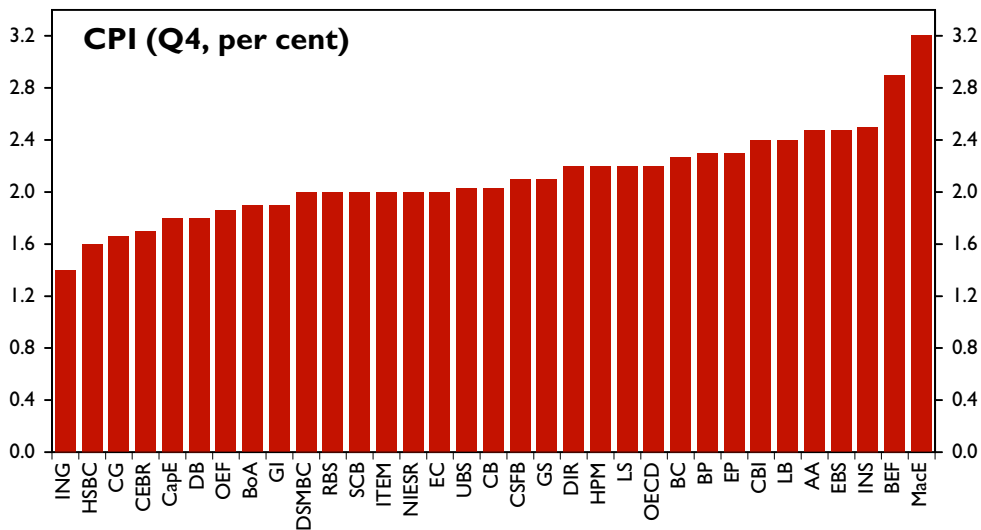
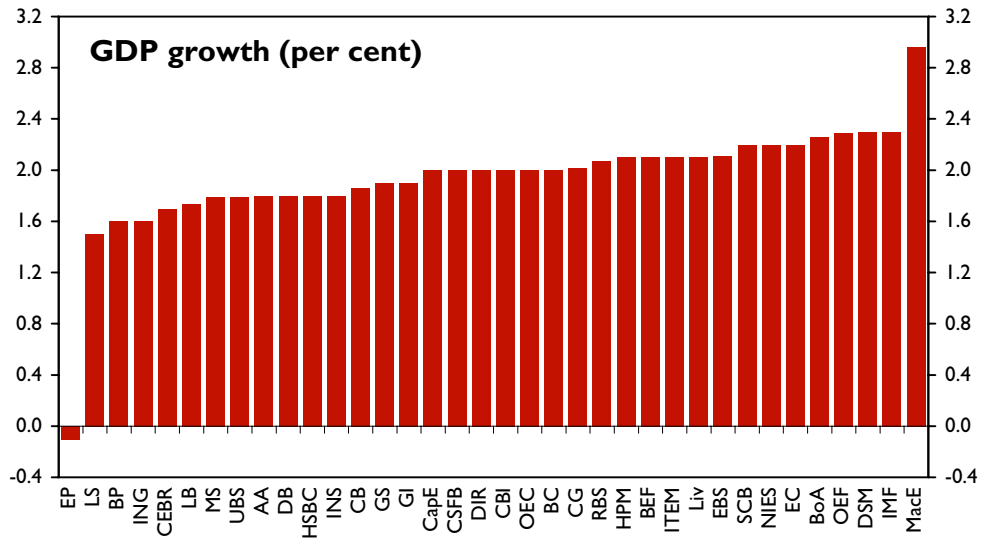
**Range of forecasts for 2007; GDP growth, CPI and RPI inflation made in last 3 months**



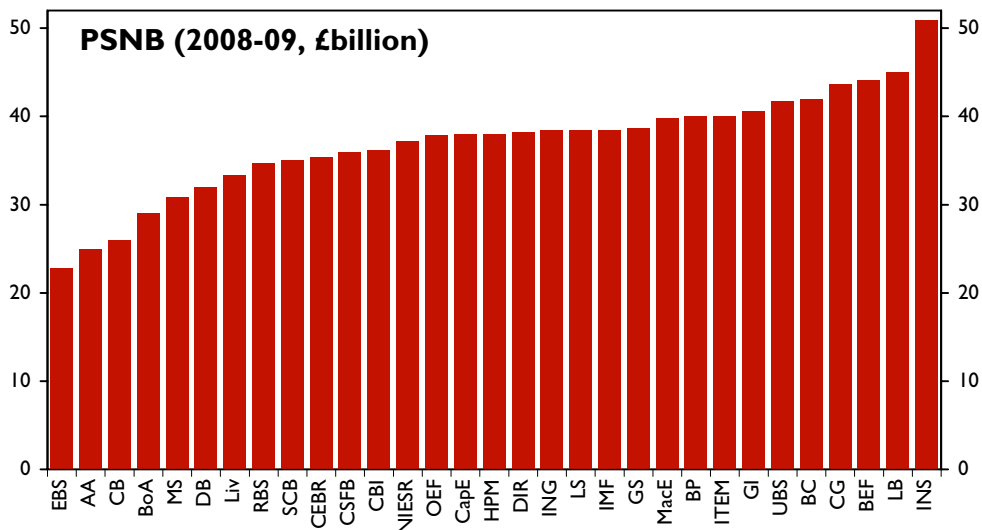
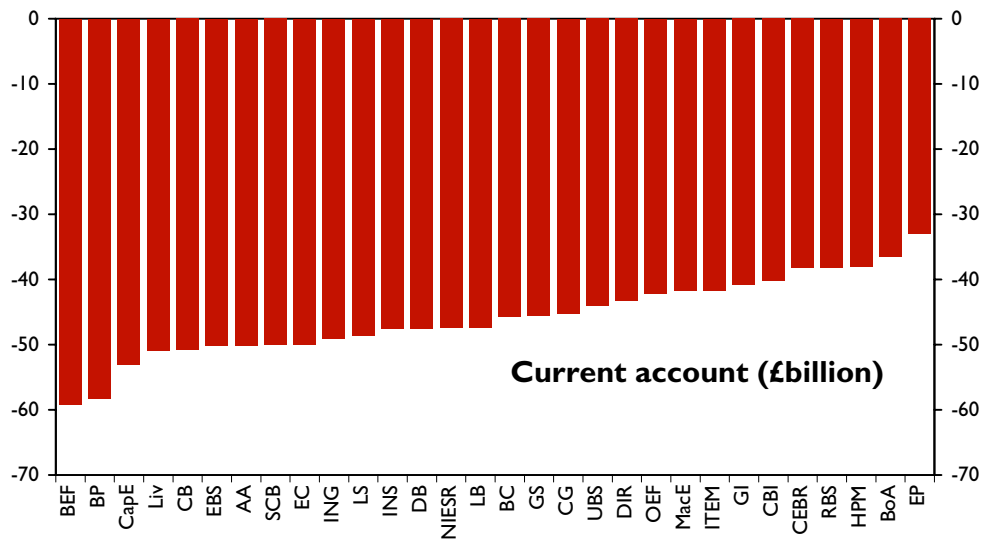
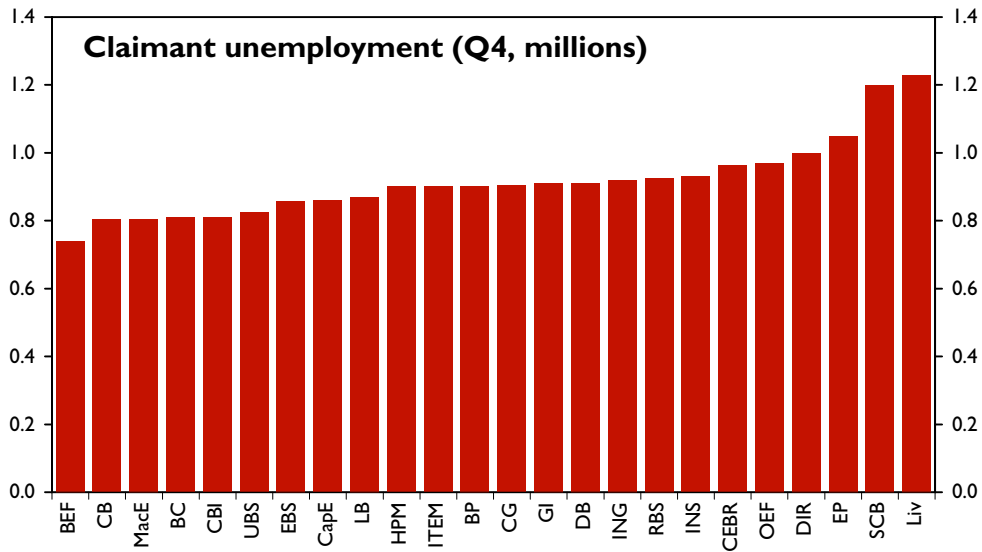
**Range of forecasts for 2007; Claimant unemployment, current account and PSNB (2007-08) made in last 3 months**



**Range of forecasts for 2008; GDP growth, CPI and RPI inflation made in last 3 months**



**Range of forecasts for 2008; Claimant unemployment, current account and PSNB (2008-09) made in last 3 months**



## Annex I: Forecasting institutions referred to in charts and tables

AA	ABN AMRO
BoA	Bank of America
BC	Barclays Capital
BEF	Beacon Economic Forecasting
BP	BNP Paribas
CamE	Cambridge Econometrics
CapE	Capital Economics
CG	Citigroup
CBI	Confederation of British Industry
CEBR	Centre for Economics and Business Research
CB	Commerzbank
CSFB	Credit Suisse First Boston
DIR	Daiwa Institute of Research
DSMBC	Daiwa Securities SMBC
DB	Deutsche Bank
DKW	Dresdner Kleinwort Wasserstein
EBS	Experian Business Strategies (previously BSL)
EC	European Commission
EIU	Economist Intelligence Unit
EP	Economic Perspectives
FB	Fortis Bank
GI	Global Insight (previously DRI-WEFA)
GS	Goldman Sachs
HSBC	HSBC Global Research
HPM	Hermes Pension Management
ING	ING Financial Markets
INS	Ingenious Securities
IMF	International Monetary Fund
ITEM	ITEM Club
JPM	JP Morgan Chase
LB	Lehman Brothers
Liv	Liverpool Macro Research
LS	Lombard Street Research
MacE	MacroEcon.com
MoE	Moody's Economy (previously Economy.com)
MS	Morgan Stanley
NIESR	National Institute of Economic and Social Research
OECD	Organisation for Economic Cooperation and Development
OEF	Oxford Economic Forecasting
RBS	Royal Bank Of Scotland Global Banking & Markets
S	Schroders Investment Management
SCB	Standard Chartered Bank
UBS	UBS
WLB	WestLB

## Annex 2: Data definitions

GDP	National accounts, Table C2, Code ABMI
Private consumption	Households + NPISH, National accounts, Table C2, Code ABJR+HAYO
General government consumption	National accounts, Table C2, Code NMRY
Gross fixed investment	National accounts, Table C2, Code NPQT
Change in inventories (2003, £bn)	National accounts, Table C2, Code CAFU
Domestic demand	National accounts, Table C2, Code YBIM
Exports (goods and services)	National accounts, Table C2, Code IKBK
Imports (goods and services)	National accounts, Table C2, Code IKBL
CPI (Q4)	Consumer Price Indices release, Table I, Code D7G7
RPI (Q4)	Consumer Price Indices release, Table I, Code CZBH
RPIX (Q4)	Consumer Price Indices release, Table I, Code CDKQ
Headline average earnings	Labour market statistics, Table I5, Code LNNC
Sterling index (Q4, Jan 2005=100)	Bank of England Monetary and Financial statistics division Code BK67
Official Bank rate (Q4)	(Previously Bank of England repo 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 I0, Code BCJD
Manufacturing Output	National accounts, Table BI, 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 I / Public sector accounts, Table PSAT I, Code ANNX

### Annex 3: Notation used in tables

a	ILO unemployment - millions
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 - percentage points
l	growth in hourly earnings
j	end period
k	calendar year
m	average of UK Brent, Dubai, and West Texas Intermediate crude spot oil prices
n	compensation of employees per head
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	different 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	compensation of employees (code DTWM)
hh	world GDP
ii	OPEC average
jj	industrial output
kk	final domestic demand
ll	GDP deflator
nn	excluding MTIC-related activity
pp	percentage change on a year earlier
qq	budget deficit as percentage of GDP
rr	employee jobs (code BCAJ)
ss	financial year end
tt	external trade balance

## Annex 4: Organisation contact details

Organisation	Contact	E-mail address	Telephone number
ABN AMRO	Dominic White	Dominic.White@uk.abnamro.com	020 7678 0417
Bank of America	Matthew Sharratt	Matthew.Sharratt@bankofamerica.com	020 7174 4924
Barclays Capital	George Johns	George.Johns@barcap.com	020 7773 4308
Beacon Economic Forecasting	David Smith	xxxbeaconxxx@btinternet.com	01923 897 885
BNP Paribas	Alan Clarke	Alan.Clarke@uk.bnpparibas.com	020 7595 8476
Cambridge Econometrics	Rachel Beaven	Rachel_Beaven@camecon.com	01223 460 760
Capital Economics	Jonathan Loynes	Jonathan.Loynes@capitaleconomics.com	020 7808 4983
Citigroup	Michael Saunders	Michael.Saunders@citigroup.com	020 7986 9297
CBI	Oliver Bush	Oliver.Bush@cbi.org.uk	020 7395 8080
CEBR	Jonathan Said	Jsaid@cebr.com	020 7324 2840
Commerzbank	Peter Dixon	Peter.Dixon@commerzbank.com	020 7653 7271
Credit Suisse First Boston	Neville Hill	Neville.Hill@csfb.com	020 7888 1334
Daiwa Institute of Research	Don Egginton	Donald.Egginton@dir.co.uk	020 7597 8470
Daiwa Securities SMBC	Grant Lewis	Grant.Lewis@daiwasmbc.co.uk	020 7597 8336
Deutsche Bank	George Buckley	George.Buckley@db.com	020 7545 1372
Dresdner Kleinwort Wasserstein	Marchel Alexandrovich	Marchel.Alexandrovich@drkw.com	020 7475 2472
Experian Business Strategies	Neil Blake	Neil.Blake@uk.experian.com	020 7355 8233
EC	Karl Scerri	Karl.Scerri@ec.europa.eu	0032 2299 8544
EIU	Philip Whyte	Philip.Whyte@eiu.com	020 7576 8315
Economic Perspectives	Peter Warburton	Economic.Perspectives@ntlworld.com	01582 696 999
Fortis Bank	Nick Kounis	Nick.Kounis@nl.fortis.com	0031 20535 7106
Global Insight	Howard Archer	Howard.Archer@globalinsight.com	020 8544 7893
Goldman Sachs	Ann Terry	Ann.Terry@gs.com	020 7774 1166
Hermes Pensions Management	Yasushi Okuda	Y.Okuda@hermes.co.uk	020 7680 2395
HSBC	Karen Ward	Karen.Ward@hsbcib.com	020 7991 3692
ING Financial Markets	James Knightley	James.Knightley@uk.ing.com	020 7767 6614
Ingenious Securities	Richard Jeffrey	Richard.Jeffrey@ingeniousmedia.co.uk	020 7024 7918
ITEM club	Peter Spencer	Ps35@york.ac.uk	01904 433771
J P Morgan	Malcolm Barr	Malcolm.Barr@jpmorgan.com	020 7777 1080
Lehman Brothers	Alan Castle	APCastle@lehman.com	020 7102 7745
Liverpool Macro Research	David Meenagh	Meenaghhd@cf.ac.uk	029 2087 5198
Lombard Street Research	Michael Taylor	Michael.Taylor@lombardstreetresearch.com	020 7382 5930
MacroEcon.com	Mark Nielson	Mark@macroecon.com	001 646 621 6828
Moody's Economy	Matthew Cairns	MCairns@economy.com	020 7953 7701
Morgan Stanley	Melanie Baker	Melanie.Baker@morganstanley.com	020 7425 8607
NIESR	Simon Kirby	S.Kirby@niesr.ac.uk	020 7222 7665
Oxford Economics	Adrian Cooper	ACooper@oxfordeconomics.co.uk	01865 268 900
Royal Bank of Scotland	Geoffrey Dicks	Geoffrey.Dicks@rbos.com	020 7085 4277
Schroders Investment Management	Richard Batley	Richard.Batley@schroders.com	020 7658 2011
Standard Chartered Bank	Gavin Redknap	Gavin.Redknap@uk.standardchartered.com	020 7280 6071
UBS	Amit Kara	Amit.Kara@ubs.com	020 7568 3522