

Forecasts for the UK Economy

A comparison of independent forecasts

Compiled by Macroeconomic Prospect Team

September 2004

www.hm-treasury.gov.uk/forecasts



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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 Marvin Susse on 020 7270 5404. "Forecasts for the UK Economy" is compiled and coordinated by Marvin Susse. Please direct enquiries on the contents of this issue to Marvin Susse (020 7270 5404, marvin.susse@hm-treasury.x.gsi.gov.uk).

The next edition will be published on 21st October 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, September 2004

This edition of the comparison contains 18 new forecasts, all of which were received between the 1st and the 14th of September. The tables below summarise the average and range of independent forecasts for 2004 and 2005 and show the average of this month's new forecasts.

Forecasts for 2004	Independent ⁺				Average of new* forecasts
	Averages		September		
	September	August	Lowest	Highest	
GDP growth (per cent)	3.3	3.3	2.5	3.6	3.4
Inflation rate (Q4: per cent)					
- CPI	1.6	1.6	1.0	2.0	1.6
- RPI	3.3	3.3	2.5	4.0	3.4
Claimant unemployment (Q4: mn)	0.85	0.85	0.76	1.03	0.85
Current account (£bn)	-25.7	-26.6	-32.1	-18.0	-24.6
PSNB (2004-05: £bn)	35.4	35.4	25.6	46.0	35.3

Forecasts for 2005	Independent ⁺				Average of new* forecasts
	Averages		September		
	September	August	Lowest	Highest	
GDP growth (per cent)	2.6	2.6	0.4	3.6	2.6
Inflation rate (Q4: per cent)					
- CPI	1.9	1.9	1.6	2.8	2.0
- RPI	2.7	2.7	1.8	3.8	2.9
Claimant unemployment (Q4: mn)	0.87	0.85	0.58	1.14	0.87
Current account (£bn)	-26.7	-28.0	-43.6	-12.5	-25.0
PSNB (2005-06: £bn)	36.7	36.4	24.0	52.0	36.4

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (September: 18 institutions, August: 8 institutions, July 6 institutions)

*Calculated from new forecasts received for the comparison this month

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

Table 1 - 2004: Growth in GDP and its components (% change)

September 2004 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	Sep *	3.4	3.0	5.3	5.8 f	-	-	2.0	3.9	-
Bank of America	Sep *	3.4	3.1	5.1	5.7	1.7	4.0	2.3	3.7	-0.5
Barclays Capital	Sep *	3.1	3.5	3.3	3.9	-0.1	3.4	2.5	3.4	-0.4
Bridgewell	Sep *	3.3	3.1	4.4	5.7	1.8	3.7	2.5	3.7	-0.5
Capital Economics	Sep *	3.3	2.7	5.5	5.2	0.1	3.5	2.6	2.8	-
Citigroup	Sep *	3.6	3.1	4.8	6.9	-0.2	3.8	3.4	6.5	-0.2
Credit Lyonnais	Jan	3.0	2.8	2.8	4.4	2.3	2.9	4.4	4.5	-0.2
Credit Suisse First Boston	May	3.0	3.3	2.8	6.3	1.2	3.7	3.8	5.8	-0.8
Daiwa Institute of Research	Jul	3.4	2.9	4.9	6.0	2.8	3.7	3.9	4.7	-
Deutsche Bank	Jul	3.5	3.1	4.9	6.9	1.8	4.0	2.5	4.2	-0.6
Dresdner Kleinwort Wasserstein	Jul	3.4	2.9	4.9	5.3	-	3.8	1.1	3.8	-0.3
Economic Perspectives	Aug	2.8	2.6	5.6	2.5	1.8	3.1	-0.1	1.3	-0.4
Fortis Bank	Mar	3.4	3.6	3.0	6.6	-	3.8	5.9	6.8	-0.4
Goldman Sachs	Sep *	3.6	2.9	5.2	6.0	0.0	3.8	2.7	3.8	-0.4
Hermes	Sep *	3.3	3.1	4.9	5.8	0.8	3.7	2.7	4.2	-0.6
HSBC	Sep *	3.2	2.9	4.2	5.1	2.4	3.4	1.1	2.2	-0.4
ING Financial Markets	Sep *	3.3	2.8	4.9	6.1	-0.3	3.7	3.0	8.1	-0.5
J P Morgan	Jul	3.4	3.6	4.4	8.9	-2.6	4.2	1.0	3.8	-0.9
Lehman Brothers	Sep *	3.4	2.9	5.1	5.7	1.6	3.7	2.9	4.0	-0.5
Lombard Street	Sep *	3.6	3.4	2.5	5.0	-	3.6	2.8	2.3	0.0
Morgan Stanley	Aug	3.2	2.5	5.2	5.8	2.1	3.6	2.7	3.8	-0.4
RBSFM	Feb	3.0	2.8	3.3	4.7	3.0	3.2	5.8	6.0	-0.2
Schroders Investment Management	Aug	3.2	3.7	3.2	4.8	2.6	3.9	1.2	3.6	-0.8
Standard Chartered Bank	Jul	3.4	2.7	4.5	5.7	2.7	3.5	1.7	2.5	-0.1
UBS	Sep *	3.5	3.1	4.8	5.9	1.2	3.7	3.1	3.8	-0.3
WestLB AG	Aug	3.3	2.8	4.5	5.1	2.2	3.6	2.4	3.2	-0.3
Williams de Broe	Sep *	3.5	3.1	5.2	5.8	2.6	3.9	2.4	4.1	-0.7
Non-City Forecasters										
Cambridge Econometrics	Jun	3.0	2.9	2.8	5.6	0.3	3.2	4.0	4.7	-0.3
CBI	Sep *	3.4	2.9	4.5	4.4	4.6	3.6	1.8	3.0	-0.4
CEBR	Jul	3.0	3.2	3.0	4.6	2.9	3.6	2.1	4.8	-
Economy.com	Sep *	3.4	3.4	5.0	5.6	2.1	4.1	2.6	4.6	-
Experian Business Strategies	Aug	2.9	3.0	2.7	5.3	2.5	3.4	0.5	2.3	-0.6
EIU	Apr	2.9	2.8	3.1	4.2	-	3.2	4.0	4.9	-0.4
Global Insight	Aug	3.4	2.8	4.9	5.5	-	3.6	2.1	2.9	-0.2
ITEM Club	Sep *	3.5	3.0	5.1	7.1	0.0	4.0	3.8	4.0	-0.7
Liverpool Macro Research	Sep *	2.5	2.3 c	3.4 d	4.2 e	-	-	-	-	-
NIESR	Aug	3.3	2.8	4.1	6.8	3.7	5.1	1.4	3.2	-0.6
OEF	Aug	3.4	3.0	4.9	6.0	2.4	3.8	2.7	4.0	-0.5
EC	Apr	3.0	2.9	2.1	6.4	1.6	3.3	5.1	5.9	-0.5
OECD	May	3.1	3.8	2.0	6.4	0.2 h	4.1	6.5	7.5	-1.2
IMF	May	3.5	4.0	2.3	4.5	-0.1 h	3.6	5.5	5.5	-0.2
Average of Forecasts made in the last 3 months										
Independent		3.3	3.0	4.6	5.6	1.6	3.7	2.2	3.7	-0.5
New (marked *)		3.4	3.1	4.7	5.6	1.2	3.7	2.6	4.0	-0.4
City		3.4	3.0	4.7	5.6	1.2	3.7	2.3	3.8	-0.4
Range of Forecasts made in the last 3 months										
Highest		3.6	3.7	5.6	8.9	4.6	4.2	3.9	8.1	0.0
Lowest		2.5	2.5	2.5	2.5	-2.6	3.1	-0.1	1.3	-0.9
Median		3.4	3.0	4.9	5.7	2.0	3.7	2.4	3.8	-0.4
HM Treasury	Mar	3 - 3½	3 - 3¼	2¼	5½ to 5¾	0	3¼ to 3½	5¼ to 5½	5½ to 6	-¼

Table 2 - 2004: Growth in prices and monetary indicators (% change)

September 2004 Comparison

Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
City Forecasters									
ABN AMRO	Sep *	1.7	-	2.2	5.3 gg	-	5.00	-	-
Bank of America	Sep *	1.7	-	2.8	4.4	-	5.00	36.0	-
Barclays Capital	Sep *	1.6	3.7	2.5	3.8	103.8	5.00	-	-
Bridgewell	Sep *	1.8	3.8	2.6	4.8	104.1	5.00	-	8.1
Capital Economics	Sep *	1.5	3.4	2.2	4.6	102.0	5.00	32.7	7.5
Citigroup	Sep *	1.8	4.0	2.8	4.5	104.6	4.90	38.0	-
Credit Lyonnais	Jan	1.6	3.1	2.6	4.4	97.0	4.50	27.0	-
Credit Suisse First Boston	May	1.8	2.7	2.0	-	-	4.50	-	-
Daiwa Institute of Research	Jul	1.6	3.3	2.2	4.5	105.2	5.00	-	-
Deutsche Bank	Jul	1.5	3.5	2.4	4.8	107.0	5.00	-	8.5
Dresdner Kleinwort Wasserstein	Jul	1.4	3.0	2.0	-	-	5.00	-	-
Economic Perspectives	Aug	1.5	2.8	2.3	4.0	108.0	5.00	37.0	7.5
Fortis Bank	Mar	1.5	-	2.3	4.1	99.0	5.00	-	-
Goldman Sachs	Sep *	1.3	-	1.7	4.8	102.0	5.20 s	34.2	9.3
Hermes	Sep *	1.8	3.5	2.5	4.5	110.0	5.00	-	-
HSBC	Sep *	1.6	3.0	2.2	4.4	104.2	5.00	38.0	-
ING Financial Markets	Sep *	1.4	-	2.2	4.3	-	5.00	40.5	-
J P Morgan	Jul	1.5	3.0	2.7	-	-	5.00	-	-
Lehman Brothers	Sep *	1.4	3.6	2.3	4.6	101.0	4.75	-	-
Lombard Street	Sep *	1.6	3.1	2.4	4.5	103.0	5.00	37.0	8.1
Morgan Stanley	Aug	1.5	3.3	2.3	4.6	105.6 j	4.75 j	-	-
RBSFM	Feb	2.0	3.2	2.5	4.4	100.9	4.67	28.5	-
Schroders Investment Management	Aug	1.6	3.0	2.5	4.8	-	5.00	35.0	-
Standard Chartered Bank	Jul	1.8	-	-	4.5	-	5.00	35.0	-
UBS	Sep *	1.5	3.4	2.3	4.3	104.0	5.00	24.5	5.0
WestLB AG	Aug	1.4	3.0	2.4	4.5	106.0	5.00	34.0	6.5
Williams de Broe	Sep *	1.7	3.3	2.6	4.6	104.1	5.00	36.8	8.2
Non-City Forecasters									
Cambridge Econometrics	Jun	-	2.9 k	2.5 k	4.8 n	100.3 k	4.20 ks	31.9	-
CBI	Sep *	1.6	3.4	2.3	4.5	105.0	5.00	36.6	-
CEBR	Jul	1.5	2.5	1.9	5.0	102.0	5.22	35.4	5.3
Economy.com	Sep *	2.0	-	-	5.7	98.3	5.00	-	6.5
Experian Business Strategies	Aug	1.0	2.7	1.8	4.4	102.0	4.83	32.9	-
EIU	Apr	1.6	2.5	2.3	4.1	105.2	4.50	27.0	8.1
Global Insight	Aug	1.7	3.5	2.6	4.5	-	5.13	34.0	7.6
ITEM Club	Sep *	1.7	3.3	2.2	4.8	103.0	5.00	37.0	8.5
Liverpool Macro Research	Sep *	-	-	2.2	4.1	105.1	4.80	-	-
NIESR	Aug	1.8	3.0 k	2.3 k	5.2 r	106.1	5.10 s	34.4 v	-
OEF	Aug	1.6	3.4	2.2	4.5	106.0	5.00	35.2	8.2
EC	Apr	1.7	-	3.1	4.6	-	-	31.1	-
OECD	May	1.4 k	-	-	5.6 gg	-	4.52 ks	-	-
IMF	May	1.6	-	-	4.3 i	-	-	30.0 m	-
Average of Forecasts made in the last 3 months									
Independent		1.6	3.3	2.3	4.5	104.2	4.99	35.3	7.4
New (marked *)		1.6	3.4	2.3	4.5	103.6	4.97	35.6	7.6
City		1.6	3.3	2.4	4.5	104.6	4.98	35.3	7.6
Range of Forecasts made in the last 3 months									
Highest		2.0	4.0	2.8	5.7	110.0	5.22	40.5	9.3
Lowest		1.0	2.5	1.7	3.8	98.3	4.75	24.5	5.0
Median		1.6	3.3	2.3	4.5	104.2	5.00	35.4	7.6
HM Treasury	Mar	1½	-	-	-	-	-	-	-

Table 3 - 2004: Growth in other selected variables (% change)

September 2004 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	Sep *	2.9	-	1.43 a	-	-	-	35.0
Bank of America	Sep *	-	-	-	1.7	7.0	-19.8	33.2
Barclays Capital	Sep *	2.5	0.3	0.86	2.9	-	-23.5	30.0 cc
Bridgewell	Sep *	2.5	0.8	0.85	1.4	-	-25.6	37.2
Capital Economics	Sep *	2.5	1.0	0.80	1.5	7.0	-23.0	36.0
Citigroup	Sep *	3.1	1.1	0.76	1.9	-	-25.4	32.0
Credit Lyonnais	Jan	-	-	0.83	2.1	6.0	-28.1	31.0
Credit Suisse First Boston	May	-	-	-	-	-	-20.0	35.0
Daiwa Institute of Research	Jul	2.4	1.0	0.80	-	7.6	-25.0	34.0
Deutsche Bank	Jul	2.4	0.9	0.82	1.7	-	-27.3	35.0
Dresdner Kleinwort Wasserstein	Jul	-	-	0.84	-	-	-28.3	39.5
Economic Perspectives	Aug	1.8	0.6	0.85	1.1	7.0	-28.0	46.0
Fortis Bank	Mar	3.3	1.1	0.83	-	-	-23.0	31.0
Goldman Sachs	Sep *	-	1.1	1.40 a	1.6	-	-24.7	-
Hermes	Sep *	-	0.3	0.88	-	-	-24.0	-
HSBC	Sep *	2.7	0.3	0.88	1.2	-	-30.0	35.0
ING Financial Markets	Sep *	-	-	-	1.3	-	-29.0	38.0 cc
J P Morgan	Jul	-	-	-	0.9	-	-25.9	28.0
Lehman Brothers	Sep *	2.0	0.5	0.85	1.3	-	-20.3	38.0
Lombard Street	Sep *	2.9	0.9	0.83	-	-	-18.0	35.0
Morgan Stanley	Aug	2.5	0.9	-	1.6	-	-	38.6
RBSFM	Feb	2.3	0.4	0.92	2.3	6.3	-30.8	38.7
Schroders Investment Management	Aug	-	-	0.90	2.1	-	-32.1	36.0
Standard Chartered Bank	Jul	2.5	-	0.84	-	-	-28.0	34.0
UBS	Sep *	1.7	0.5	0.84	1.5	-	-23.3	36.0
WestLB AG	Aug	2.6	0.9	0.83	1.6	8.0	-26.0	34.0
Williams de Broe	Sep *	-	1.0	0.81	1.4	8.5	-21.6	38.4
Non-City Forecasters								
Cambridge Econometrics	Jun	3.3	0.9	1.00 k	1.5	2.8 hh	-24.3	43.1 kcc
CBI	Sep *	2.5	0.5	0.84	1.7	5.3	-23.2	33.0
CEBR	Jul	2.4	0.5	0.88	1.5	-	-25.4	40.5
Economy.com	Sep *	3.3	1.1	0.86	0.4	-	-31.8	-
Experian Business Strategies	Aug	3.3	1.1	0.81	0.9	6.2	-30.8	25.6
EIU	Apr	3.1	0.4	0.87	1.6	7.5	-27.5	36.8
Global Insight	Aug	2.8	0.9	-	1.4	-	-24.7	36.5
ITEM Club	Sep *	2.5	0.0	2.50 aa	1.7	8.0	-24.2	35.4
Liverpool Macro Research	Sep *	-	-	1.03	-	-	-30.3	28.1 cc
NIESR	Aug	2.2	0.9	0.86 k	1.6	6.8 w	-23.3	33.3
OEF	Aug	2.3	0.9	0.82	1.5	7.7	-27.0	34.1
EC	Apr	-	0.4	1.47 ak	-	-	-2.1 g	32.1
OECD	May	4.7	0.8	4.76 aak	-	-	-2.3 g	2.9 g
IMF	May	-	0.9	4.90 aa	-	6.8 w	-2.2 g	-3.0 eeg
Average of Forecasts made in the last 3 months								
Independent		2.5	0.7	0.85	1.5	7.2	-25.7	35.4
New (marked *)		2.6	0.7	0.85	1.5	7.2	-24.6	35.3
City		2.5	0.8	0.84	1.6	7.5	-25.2	35.8
Range of Forecasts made in the last 3 months								
Highest		3.3	1.1	1.03	2.9	8.5	-18.0	46.0
Lowest		1.7	0.0	0.76	0.4	5.3	-32.1	25.6
Median		2.5	0.9	0.84	1.5	7.3	-25.4	35.0
HM Treasury	Mar	3 to 3¼	-	-	1½ to 2	7¼ w	-32¼	33

Table 4 - 2005: Growth in GDP and its components (% change)

September 2004 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	Sep *	2.4	2.6	4.1	3.4 f	-	-	2.6	5.5	-
Bank of America	Sep *	2.3	2.2	2.4	3.2	0.1	2.5	4.5	3.9	0.0
Barclays Capital	Sep *	3.1	2.9	2.6	4.8	-0.1	3.2	7.6	7.1	-0.2
Bridgewell	Sep *	3.3	2.2	3.2	3.6	1.8	2.5	5.3	4.8	-0.1
Capital Economics	Sep *	2.3	1.0	3.5	3.0	0.0	1.8	3.0	1.0	-
Citigroup	Sep *	3.6	2.7	2.9	11.6	-0.5	4.1	4.2	8.0	-0.5
Credit Lyonnais	Jan	-	-	-	-	-	-	-	-	-
Credit Suisse First Boston	May	2.8	2.5	2.0	6.0	1.0	3.0	6.0	6.0	-0.3
Daiwa Institute of Research	Jul	2.8	2.5	2.6	4.1	3.8	2.8	6.9	6.9	-
Deutsche Bank	Jul	2.8	3.0	2.6	5.6	0.6	3.2	5.2	6.3	-0.6
Dresdner Kleinwort Wasserstein	Jul	2.3	2.1	2.7	2.7	-	2.3	5.2	4.7	0.1
Economic Perspectives	Aug	0.4	1.0	4.6	-3.9	-1.1	0.7	-0.8	0.4	-0.3
Fortis Bank	Mar	2.7	2.4	3.0	3.8	-	2.7	7.4	6.8	0.0
Goldman Sachs	Sep *	2.7	2.4	2.7	3.6	0.2	2.8	5.0	5.0	-0.2
Hermes	Sep *	1.5	1.7	1.4	2.1	0.6	1.7	4.6	4.7	-0.2
HSBC	Sep *	1.9	1.8	2.2	2.6	1.7	1.9	3.5	3.1	0.0
ING Financial Markets	Sep *	2.7	2.2	2.8	6.4	1.9	3.2	4.3	8.8	-0.6
J P Morgan	Jul	3.0	2.8	3.9	6.4	-11.3	2.8	5.9	4.9	0.1
Lehman Brothers	Sep *	2.4	2.0	2.6	3.1	0.9	2.2	6.2	4.8	0.2
Lombard Street	Sep *	2.9	2.7	1.8	3.2	-	2.6	3.1	2.1	0.2
Morgan Stanley	Aug	2.5	2.0	4.0	3.9	-1.4	2.6	4.9	4.4	-0.1
RBSFM	Feb	2.7	2.6	3.7	4.0	3.0	3.0	5.8	6.5	-0.4
Schroders Investment Management	Aug	2.7	2.9	2.5	3.8	2.1	2.9	4.2	4.6	-0.3
Standard Chartered Bank	Jul	2.9	1.9	2.4	3.8	1.5	2.2	5.9	2.9	0.7
UBS	Sep *	2.8	2.5	2.5	4.0	1.2	2.7	3.7	3.5	-0.1
WestLB AG	Aug	2.5	2.5	2.1	3.8	1.6	2.8	4.4	4.5	-0.3
Williams de Broe	Sep *	2.7	2.9	3.2	3.0	3.6	3.0	6.2	6.7	-0.5
Non-City Forecasters										
Cambridge Econometrics	Jun	2.9	2.8	3.0	4.2	0.6	3.1	6.1	6.3	-0.3
CBI	Sep *	2.8	2.3	3.0	3.9	3.5	2.5	4.9	3.7	0.2
CEBR	Jul	2.9	2.8	2.9	2.5	4.0	2.9	4.8	5.0	-
Economy.com	Sep *	2.7	2.6	2.3	2.3	2.5	2.5	4.8	3.9	-
Experian Business Strategies	Aug	2.9	1.9	2.3	3.4	1.8	2.2	6.2	3.4	0.6
EIU	Apr	2.2	1.8	2.8	2.6	-	2.1	4.9	4.3	0.0
Global Insight	Aug	2.8	2.3	2.7	3.5	-	2.6	6.0	4.8	0.2
ITEM Club	Sep *	3.0	2.8	2.8	3.7	0.0	3.0	7.8	3.9	-0.1
Liverpool Macro Research	Sep *	2.2	2.3 c	3.4 d	4.2 e	-	-	-	-	-
NIESR	Aug	2.7	2.0	3.0	5.1	4.0	5.1	6.6	6.3	-0.2
OEF	Aug	2.8	2.6	2.6	4.1	3.5	2.9	6.6	6.6	-0.3
EC	Apr	2.8	2.1	2.6	5.6	2.0	2.7	6.7	5.8	0.0
OECD	May	2.7	2.5	1.9	6.0	0.1 h	3.1	8.7	9.3	-0.6
IMF	May	2.5	2.2	2.5	3.5	0.0 h	2.5	5.0	4.5	0.0
Average of Forecasts made in the last 3 months										
Independent		2.6	2.3	2.8	3.8	0.9	2.6	4.9	4.7	-0.1
New (marked *)		2.6	2.3	2.7	4.0	1.1	2.6	4.8	4.7	-0.1
City		2.5	2.3	2.8	3.8	0.3	2.6	4.6	4.7	-0.1
Range of Forecasts made in the last 3 months										
Highest		3.6	3.0	4.6	11.6	4.0	4.1	7.8	8.8	0.7
Lowest		0.4	1.0	1.4	-3.9	-11.3	0.7	-0.8	0.4	-0.6
Median		2.7	2.5	2.7	3.7	1.4	2.7	4.9	4.7	-0.1
HM Treasury	Mar	3 to 3½	2¼ to 2¾	2½	6½ to 7	0	3 to 3½	6¼ to 7¼	6 to 6½	0

Table 5 - 2005: Growth in prices and monetary indicators (% change)

September 2004 Comparison

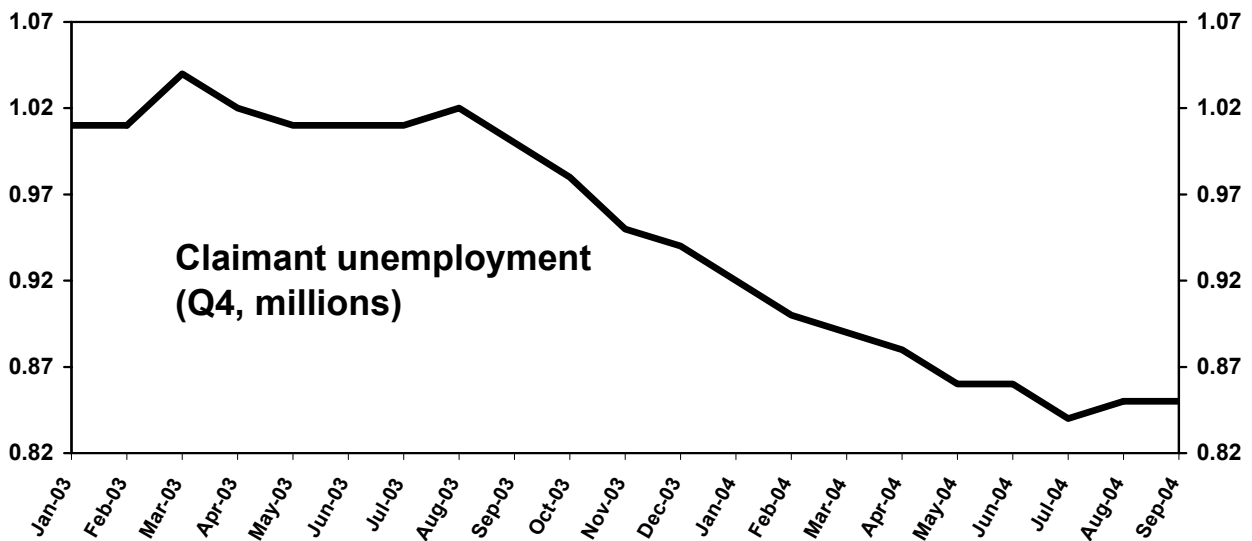
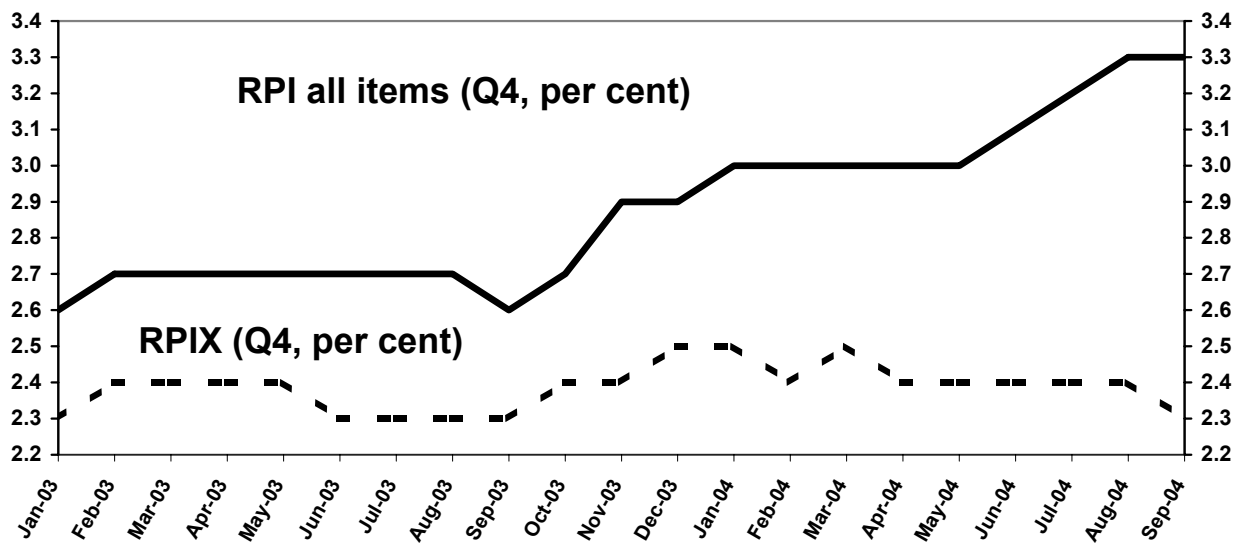
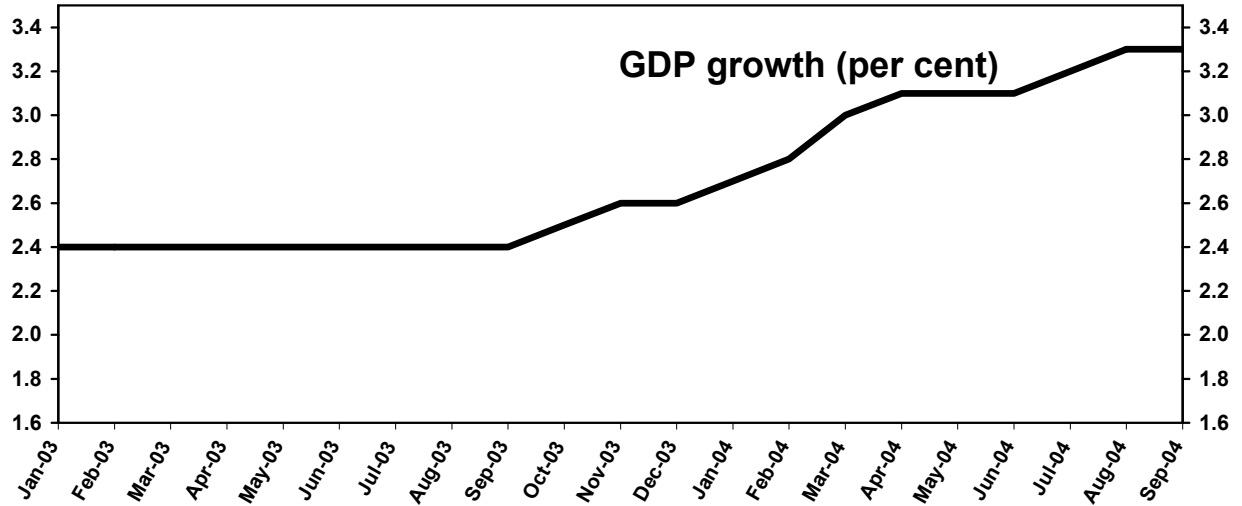
Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
City Forecasters									
ABN AMRO	Sep *	1.7	-	1.6	4.8 gg	-	5.00	-	-
Bank of America	Sep *	1.7	-	-	3.4	-	4.00	30.0	-
Barclays Capital	Sep *	2.0	2.6	2.4	4.7	99.7	5.00	-	-
Bridgewell	Sep *	2.7	3.9	3.5	4.8	102.5	5.75	-	9.1
Capital Economics	Sep *	2.0	1.8	1.0	4.7	92.5	4.75	25.6	6.5
Citigroup	Sep *	2.0	3.8	3.2	4.8	102.9	5.50	36.0	-
Credit Lyonnais	Jan	-	-	-	-	-	-	-	-
Credit Suisse First Boston	May	2.0	3.0	2.3	-	-	5.50	-	-
Daiwa Institute of Research	Jul	1.8	2.2	2.3	4.7	104.0	5.00	-	-
Deutsche Bank	Jul	1.9	2.1	1.9	4.6	105.5	5.25	-	7.0
Dresdner Kleinwort Wasserstein	Jul	1.7	1.8	1.9	-	-	4.50	-	-
Economic Perspectives	Aug	1.6	2.2	1.9	4.0	102.0	5.25	43.0	6.5
Fortis Bank	Mar	2.1	-	2.6	4.5	96.0	5.50	-	-
Goldman Sachs	Sep *	2.0	-	2.1	4.6	97.0	5.50 s	33.5	9.1
Hermes	Sep *	1.6	2.3	2.3	4.5	100.0	4.50	-	-
HSBC	Sep *	1.8	2.7	2.3	4.0	95.9	4.75	34.0	-
ING Financial Markets	Sep *	1.7	-	2.1	4.2	-	5.00	34.0	-
J P Morgan	Jul	1.8	3.3	2.5	-	-	5.25	-	-
Lehman Brothers	Sep *	1.8	3.1	2.5	4.4	97.0	4.75	-	-
Lombard Street	Sep *	2.2	3.0	2.9	4.7	101.0	5.50	32.0	6.0
Morgan Stanley	Aug	1.7	2.6	2.4	4.1	106.1 j	4.75 j	-	-
RBSFM	Feb	1.9	2.4	2.5	4.5	99.5	4.50	28.0	-
Schroders Investment Management	Aug	1.8	2.8	2.4	4.8	-	5.00	28.0	-
Standard Chartered Bank	Jul	2.3	-	-	4.7	-	5.00	30.0	-
UBS	Sep *	1.8	2.8	2.5	4.5	105.0	5.25	21.5	5.0
WestLB AG	Aug	1.8	2.8	2.5	3.5	102.0	5.00	33.0	6.5
Williams de Broe	Sep *	2.4	3.1	3.1	4.7	101.6	5.20	40.5	7.9
Non-City Forecasters									
Cambridge Econometrics	Jun	-	3.1 k	2.1 k	4.5 n	102.9 k	5.10 ks	30.6	-
CBI	Sep *	1.8	3.3	2.2	4.1	102.0	5.25	33.3	-
CEBR	Jul	1.8	2.7	2.2	4.8	101.2	5.31	35.5	5.2
Economy.com	Sep *	2.8	-	-	6.4	103.9	5.50	-	6.2
Experian Business Strategies	Aug	1.7	2.4	2.3	3.9	97.9	4.75	27.0	-
EIU	Apr	1.8	2.8	2.5	3.9	103.6	4.75	22.1	5.9
Global Insight	Aug	2.0	2.8	2.6	4.5	-	5.75	-	5.7
ITEM Club	Sep *	1.9	3.3	2.7	4.7	99.0	5.50	34.0	8.0
Liverpool Macro Research	Sep *	-	-	2.0	3.8	105.3	5.40	-	-
NIESR	Aug	2.1	3.2 k	2.5 k	5.1 r	104.0	5.10 s	33.4 v	-
OEF	Aug	1.7	2.2	2.2	4.5	104.2	5.00	31.8	7.9
EC	Apr	2.0	-	3.2	4.8	-	-	28.9	-
OECD	May	1.9 k	-	-	5.5 gg	-	5.56 ks	-	-
IMF	May	2.0	-	-	3.8 i	-	-	27.0 m	-
Average of Forecasts made in the last 3 months									
Independent		1.9	2.7	2.3	4.5	101.1	5.07	32.4	6.7
New (marked *)		2.0	2.9	2.3	4.5	100.2	5.05	32.2	7.0
City		1.9	2.6	2.3	4.4	100.4	4.97	32.4	6.8
Range of Forecasts made in the last 3 months									
Highest		2.8	3.8	3.2	6.4	105.5	5.75	43.0	9.1
Lowest		1.6	1.8	1.0	3.4	92.5	4.00	21.5	5.0
Median		1.8	2.7	2.3	4.5	101.8	5.00	33.2	6.5
HM Treasury	Mar	2	-	-	-	-	-	-	-

Table 6 - 2005: Growth in other selected variables (% change)

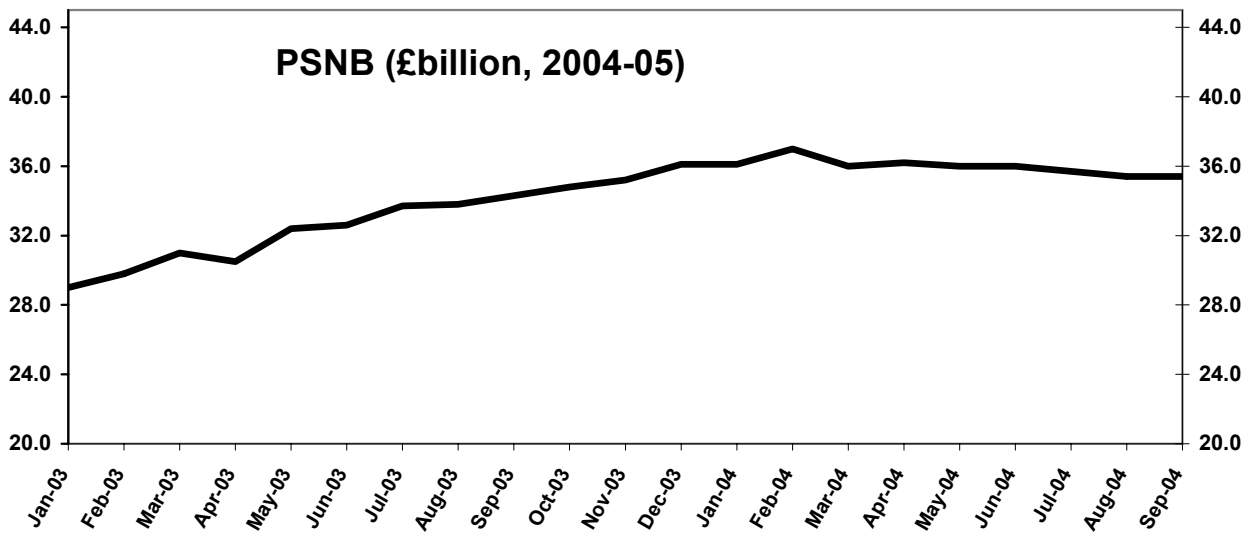
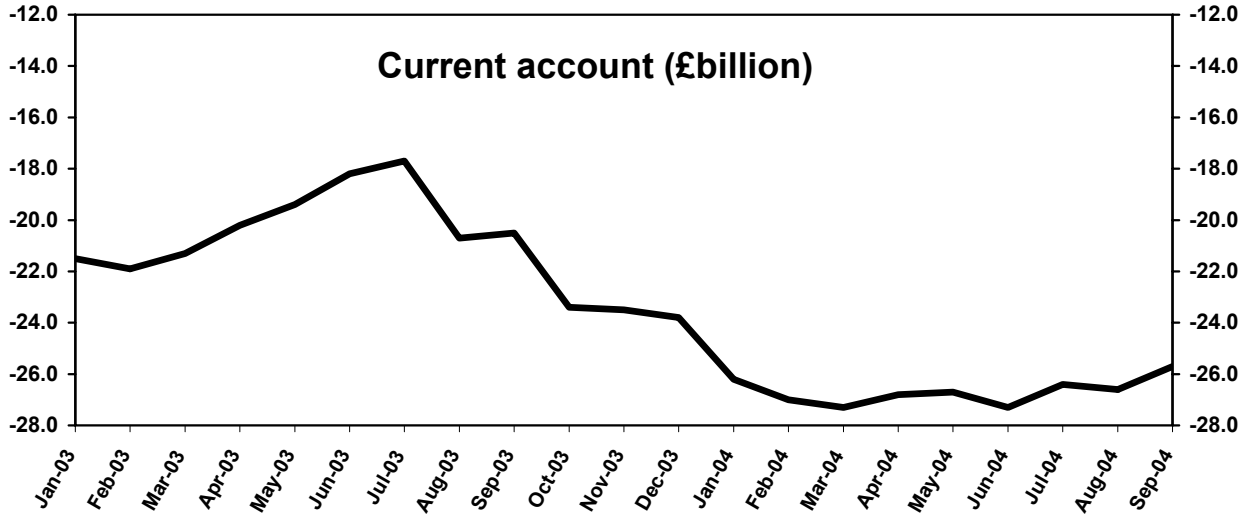
September 2004 Comparison

Forecasters & dates of forecasts		Real Household Disposable Income	Employment	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2005-06)
City Forecasters								
ABN AMRO	Sep *	3.6	-	1.57 a	-	-	-	44.2
Bank of America	Sep *	-	-	-	2.3	6.0	-12.5	38.0
Barclays Capital	Sep *	2.7	0.2	0.81	3.2	-	-26.8	22.8 cc
Bridgewater	Sep *	2.7	0.7	0.85	2.9	-	-30.5	38.7
Capital Economics	Sep *	2.7	0.7	0.80	3.0	6.0	-15.0	37.0
Citigroup	Sep *	3.8	1.7	0.58	2.2	-	-27.4	28.5
Credit Lyonnais	Jan	-	-	-	-	-	-	-
Credit Suisse First Boston	May	-	-	-	-	-	-18.0	32.0
Daiwa Institute of Research	Jul	3.1	0.9	0.80	-	7.9	-31.9	32.3
Deutsche Bank	Jul	3.3	0.7	0.78	2.4	-	-30.6	35.0
Dresdner Kleinwort Wasserstein	Jul	-	-	0.85	-	-	-27.3	41.5
Economic Perspectives	Aug	0.8	-0.8	1.05	0.9	4.0	-25.0	52.0
Fortis Bank	Mar	2.9	1.1	0.80	-	-	-24.0	31.0
Goldman Sachs	Sep *	-	1.1	1.30 a	2.2	-	-28.7	-
Hermes	Sep *	-	0.0	1.00	-	-	-18.0	-
HSBC	Sep *	2.2	0.1	0.99	2.1	-	-27.0	41.0
ING Financial Markets	Sep *	-	-	-	2.0	-	-31.0	38.0 cc
J P Morgan	Jul	-	-	-	3.1	-	-26.8	24.0
Lehman Brothers	Sep *	2.4	0.5	0.86	2.0	-	-20.0	36.0
Lombard Street	Sep *	2.8	0.7	0.81	-	-	-17.0	33.0
Morgan Stanley	Aug	2.2	1.0	-	2.0	-	-	40.7
RBSFM	Feb	2.4	0.4	0.95	2.4	5.9	-30.3	40.0
Schroders Investment Management	Aug	-	-	1.00	2.2	-	-29.4	39.0
Standard Chartered Bank	Jul	2.7	-	0.82	-	-	-21.0	36.0
UBS	Sep *	2.2	0.2	0.84	2.6	-	-22.0	30.0
WestLB AG	Aug	2.4	0.8	0.80	1.3	7.0	-29.0	32.0
Williams de Broe	Sep *	-	1.7	0.69	0.9	10.2	-29.9	42.0
Non-City Forecasters								
Cambridge Econometrics	Jun	3.2	0.1	1.00 k	2.3	3.1 hh	-22.1	36.1 kcc
CBI	Sep *	2.9	-0.1	0.91	2.3	10.3	-26.6	32.0
CEBR	Jul	3.0	0.3	0.89	1.2	-	-37.0	42.3
Economy.com	Sep *	2.9	0.5	1.14	2.1	-	-28.1	-
Experian Business Strategies	Aug	2.9	0.5	0.81	2.2	6.1	-38.5	33.7
EIU	Apr	2.4	0.5	0.89	2.1	6.8	-27.2	35.5
Global Insight	Aug	2.5	0.4	-	3.2	-	-22.6	35.6
ITEM Club	Sep *	3.1	2.0	2.20 aa	3.0	7.4	-20.2	36.4
Liverpool Macro Research	Sep *	-	-	1.06	-	-	-43.6	30.5 cc
NIESR	Aug	1.9	0.4	0.86 k	3.1	8.6 w	-23.3	39.9
OEF	Aug	3.0	0.9	0.81	2.6	7.9	-34.6	34.3
EC	Apr	-	0.3	1.49 ak	-	-	-1.8 g	31.6
OECD	May	5.0	0.7	4.77 aak	-	-	-2.7 g	2.9 g
IMF	May	-	0.5	4.90 aa	-	6.6 w	-2.1 g	-3.0 eeg
Average of Forecasts made in the last 3 months								
Independent		2.7	0.6	0.87	2.3	7.3	-26.7	36.7
New (marked *)		2.8	0.7	0.87	2.3	8.0	-25.0	36.4
City		2.6	0.6	0.84	2.1	6.9	-25.1	36.9
Range of Forecasts made in the last 3 months								
Highest		3.8	2.0	1.14	3.2	10.3	-12.5	52.0
Lowest		0.8	-0.8	0.58	0.9	4.0	-43.6	24.0
Median		2.8	0.5	0.84	2.2	7.2	-27.2	36.2
HM Treasury	Mar	2½ to 3	-	-	1¼ to 2¼	8 w	-32	31

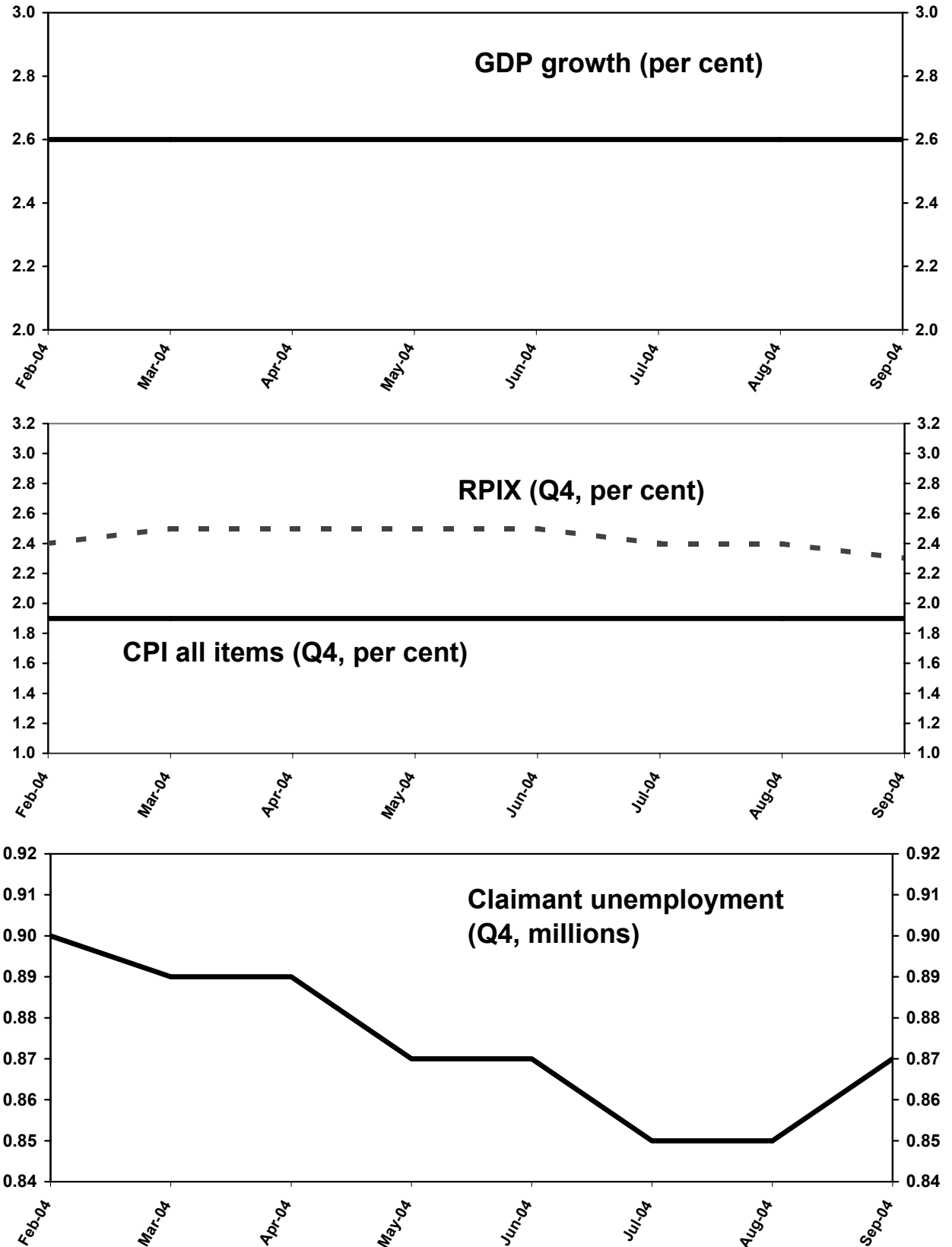
Average of independent forecasts for 2004; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



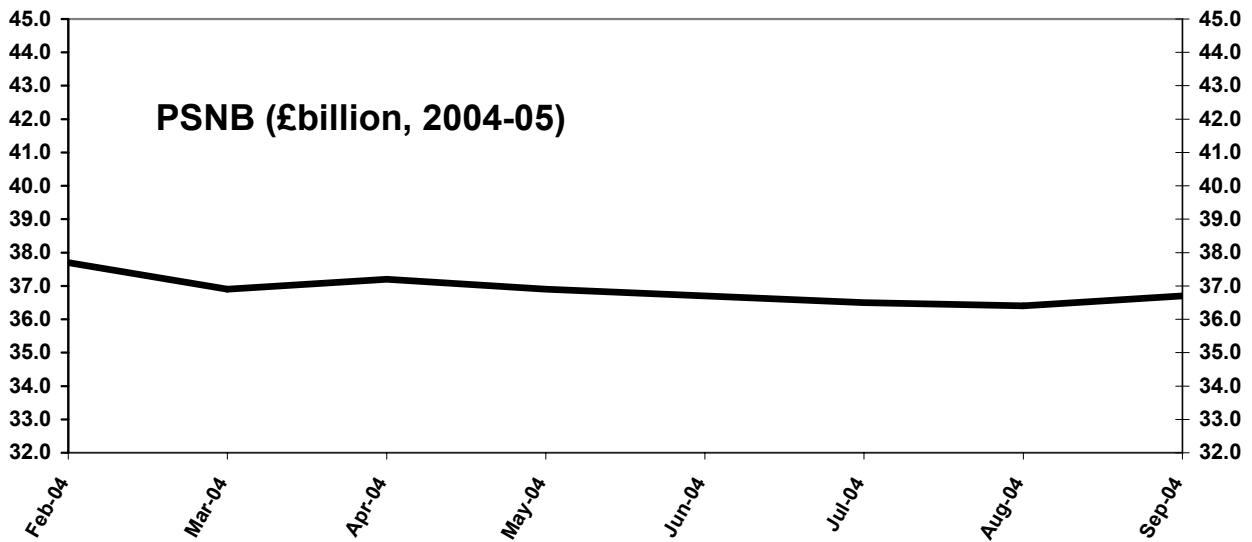
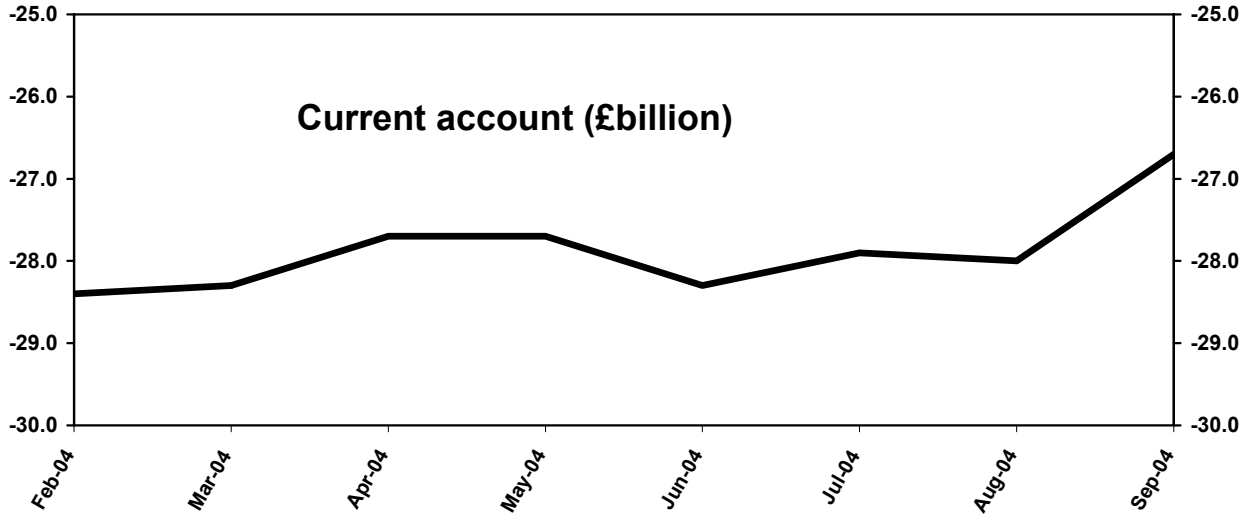
Average of independent forecasts for 2004; Current account and PSNB (2004-05, £billion)



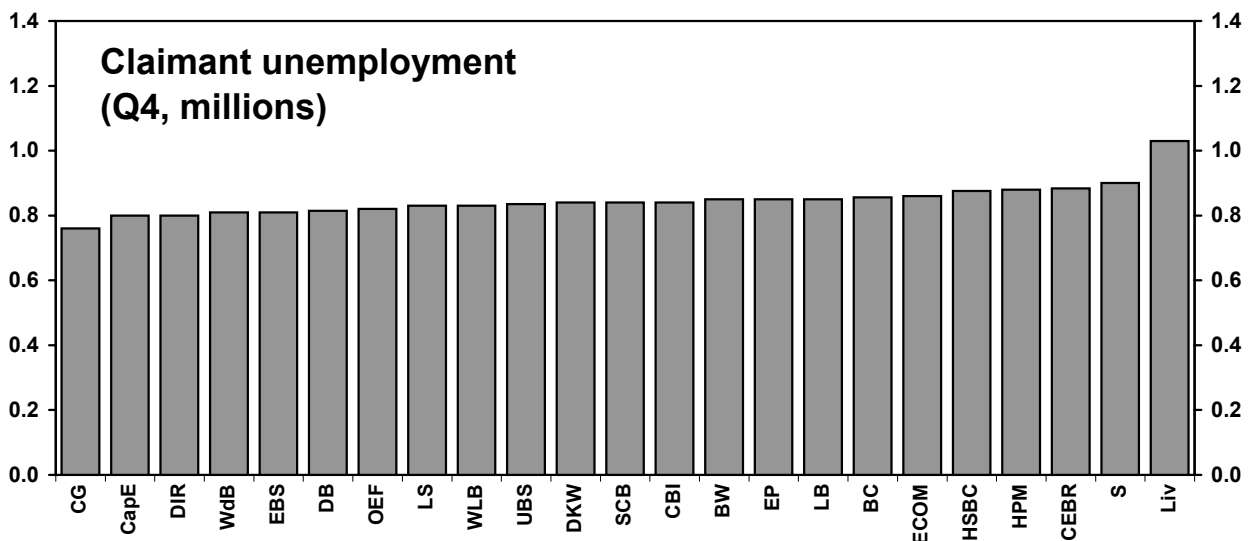
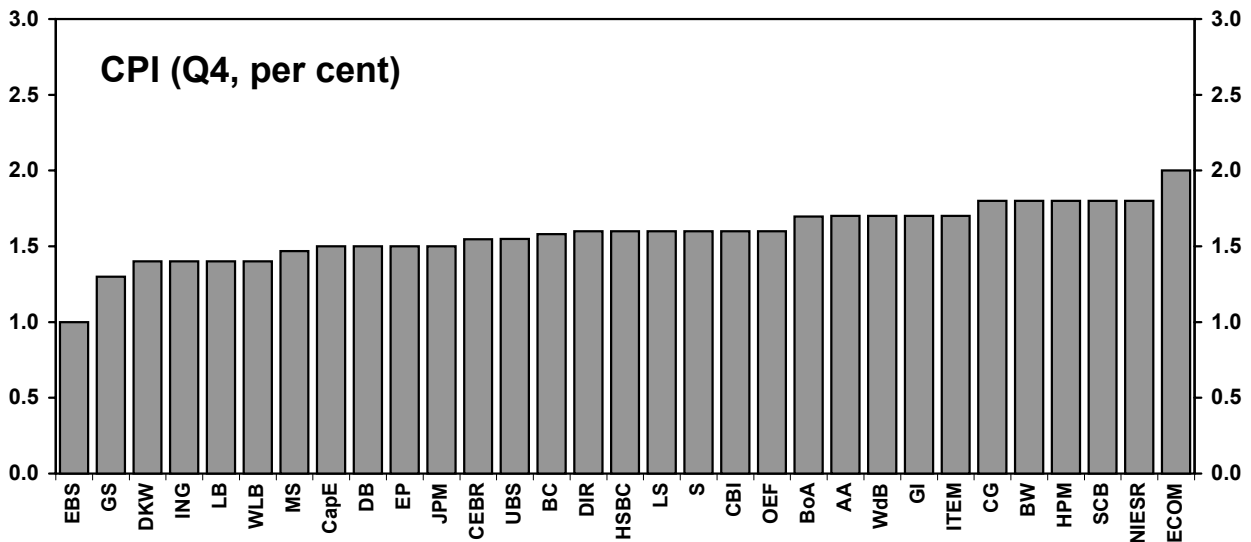
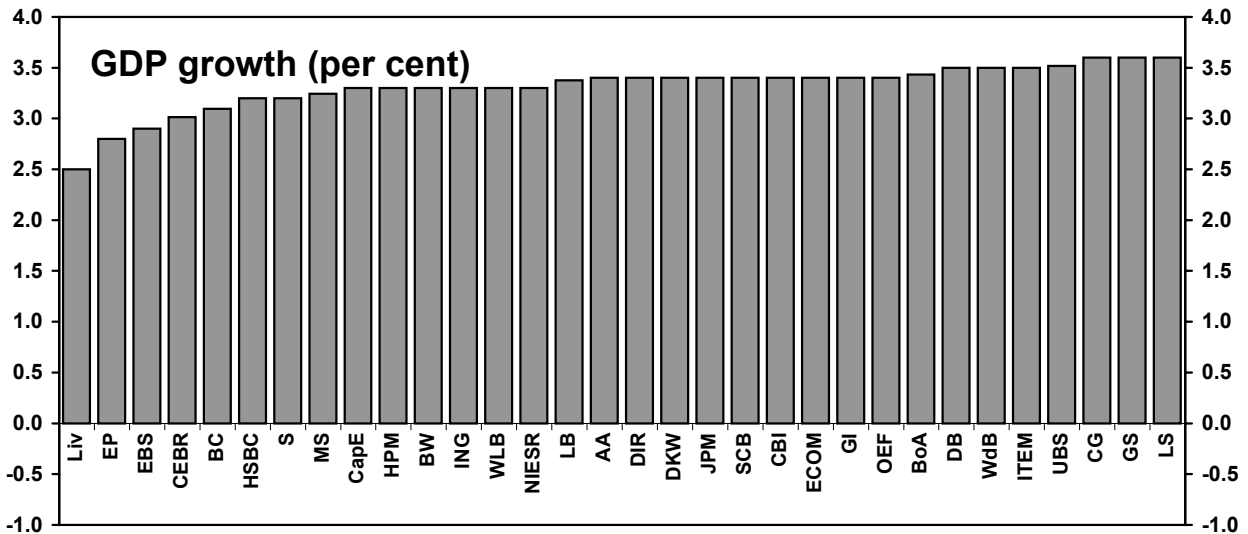
Average of independent forecasts for 2005; GDP growth, RPI & RPIX Inflation and Claimant Unemployment



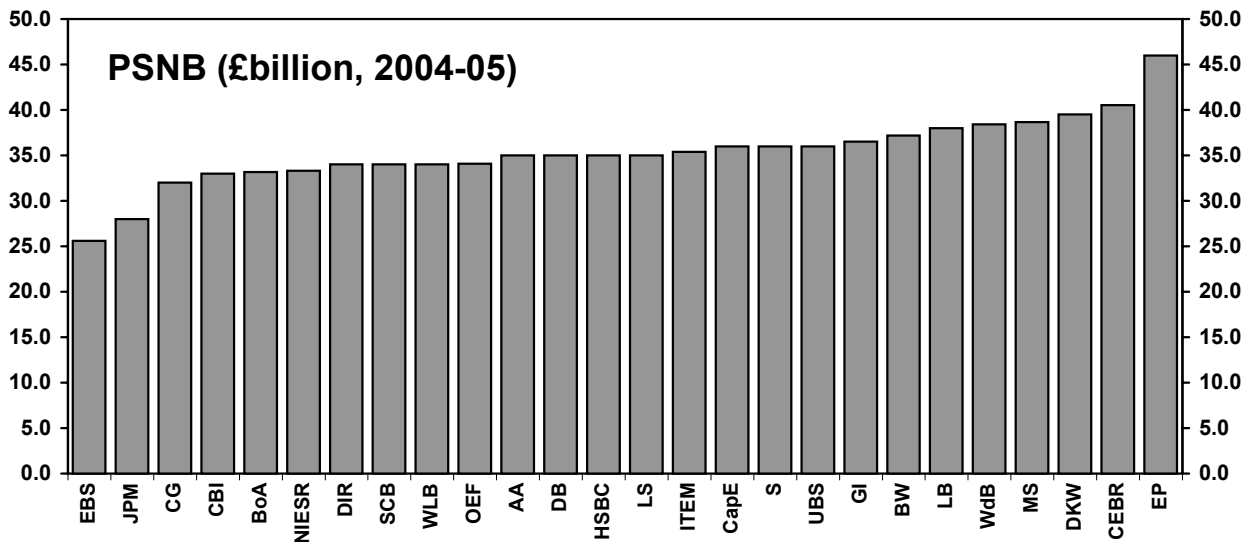
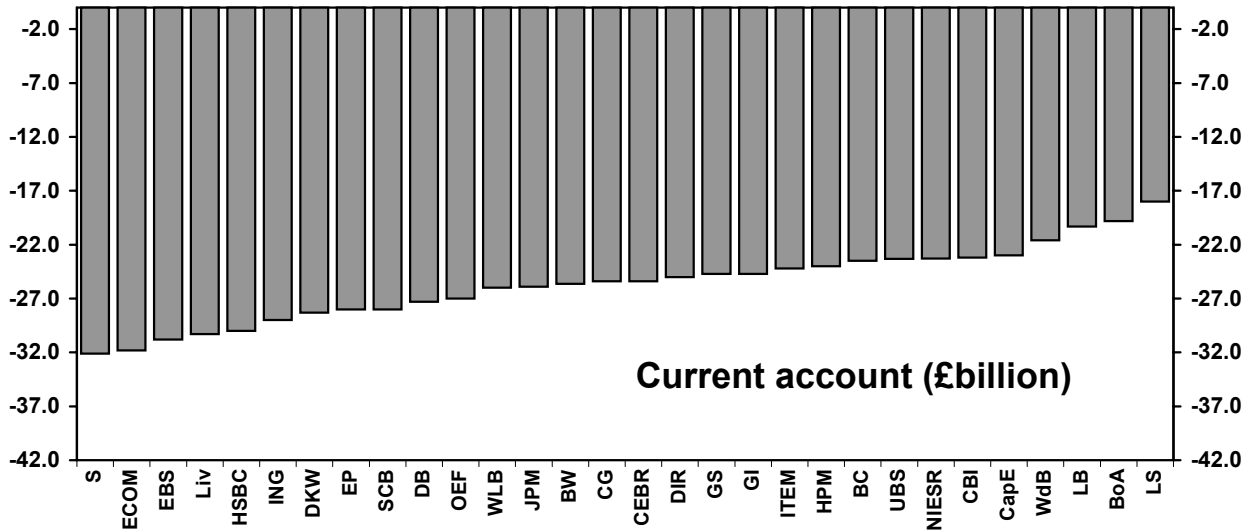
Average of independent forecasts for 2005; Current account and PSNB (2005-06, £billion)



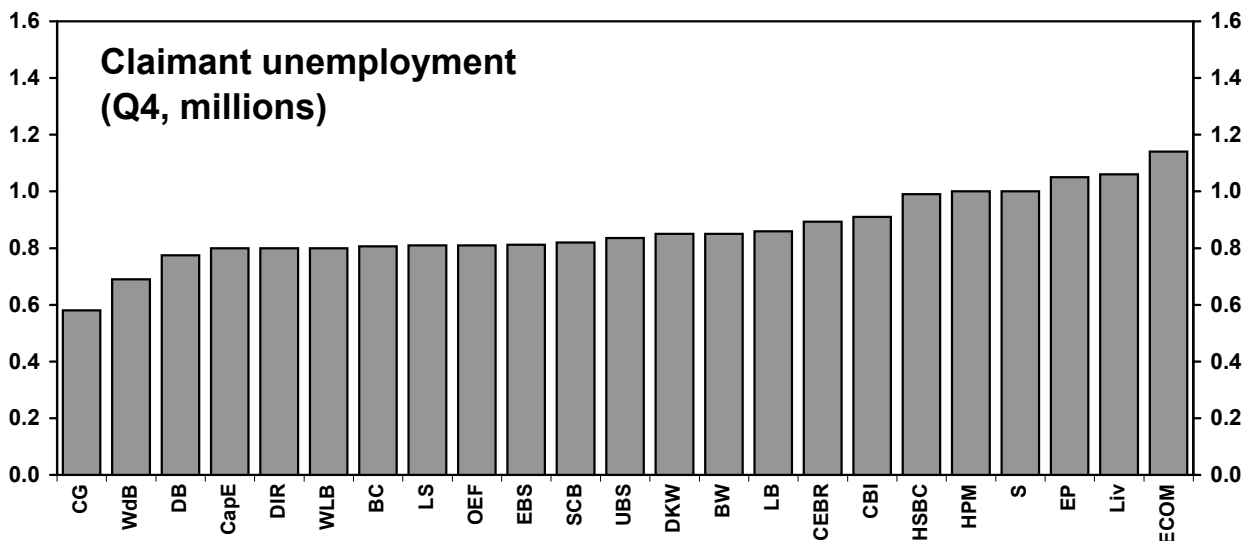
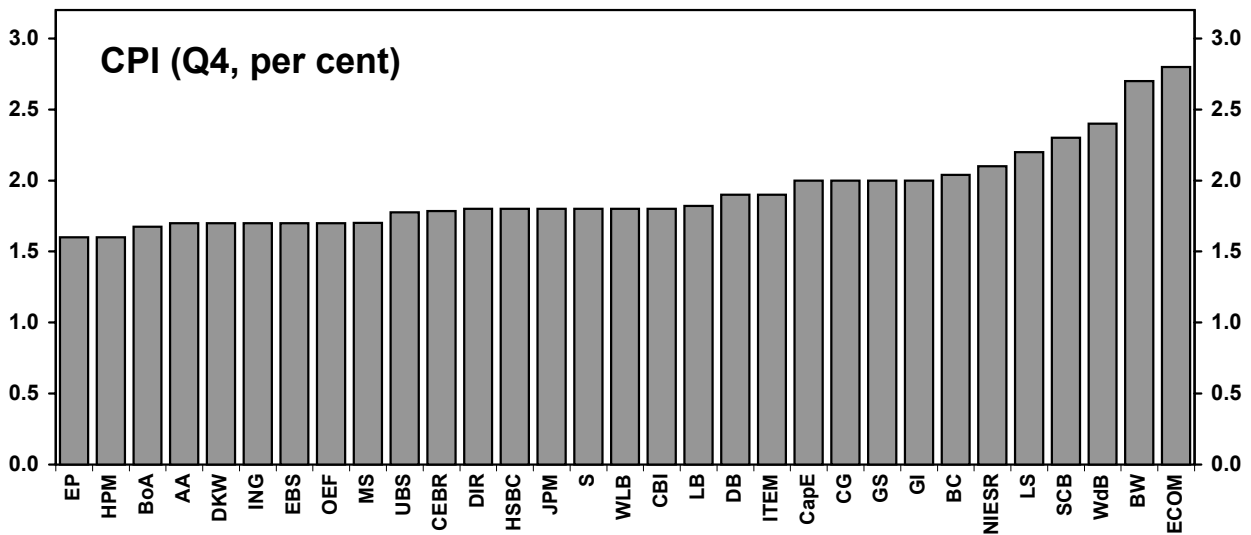
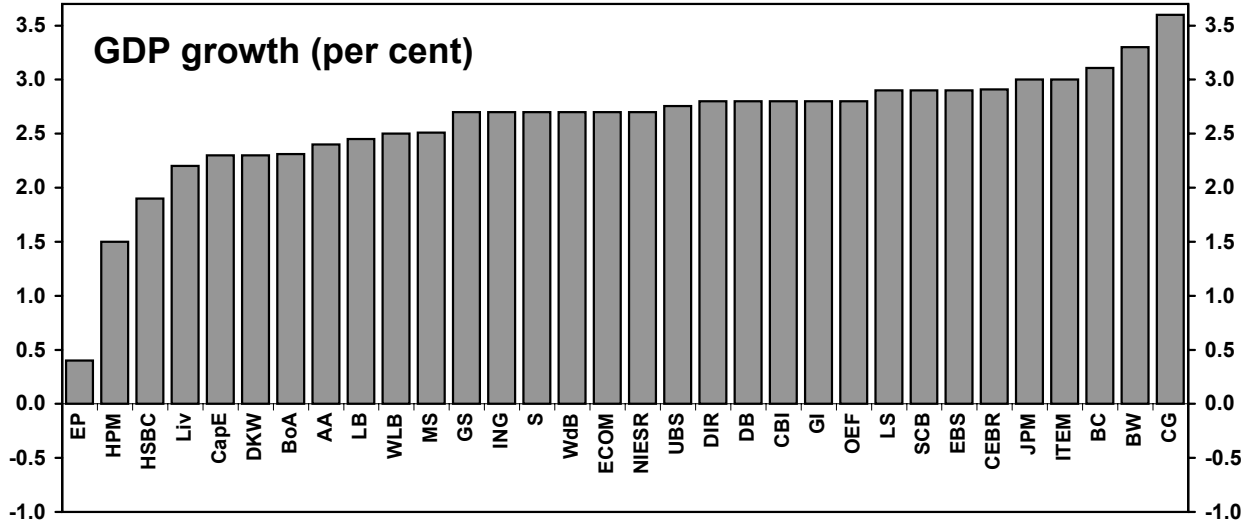
Range of Forecasts for 2004; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



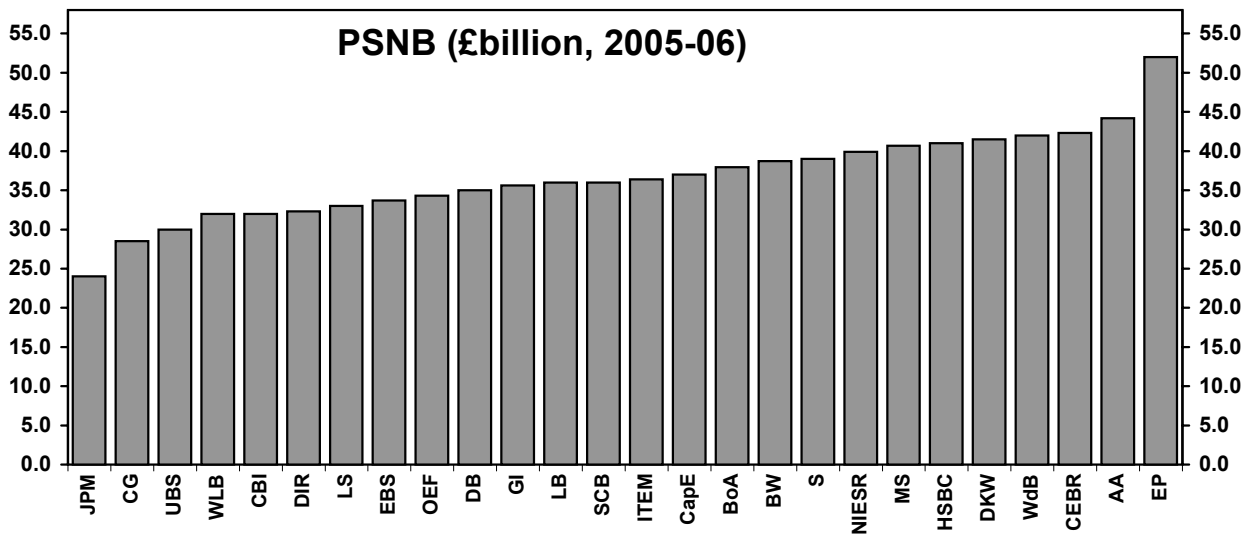
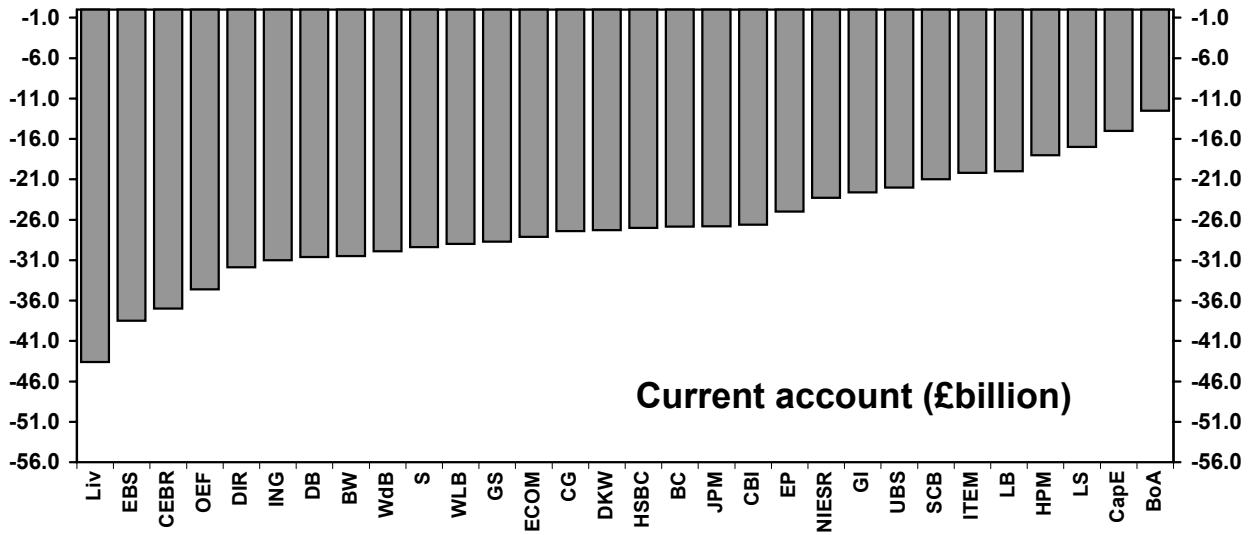
Range of Forecasts for 2004; Current Account (£bn) and PSNB (2004-05, £bn) made in last 3 months



Range of Forecasts for 2005; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



Range of Forecasts for 2005; Current Account (£bn) and PSNB (2005-06, £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 (2000, £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
CPI (Q4)	Consumer Price Indices release, Table 1, Code CJYR
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:	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
i:	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/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:	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:	Compensation of employees (code DTWM)
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

<u>Organisation</u>	<u>Contact</u>	<u>Telephone number</u>
ABN AMRO	James Carrick	020 7678 7575
Bank of America	Lorenzo Codogno	020 7174 4101
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Bridgewell	Richard Jeffrey	020 7003 3500
Cambridge Econometrics	Rachel Beaven	01223 460 760
Capital Economics Ltd	Jonathan Loynes	020 7823 5000
Citigroup	Michael Saunders	020 7986 9297
CBI	Andrew Goodwin	020 7395 8080
CEBR	Andrij Halushka	020 7324 2860
Credit Lyonnais	Glenn Davies	020 7214 5388
Credit Suisse First Boston	Neville Hill	020 7888 1334
Daiwa Institute of Research	Don Egginton	020 7597 8470
Deutsche Bank	George Buckley	020 7545 1372
Dresdner Kleinwort Wasserstein	John O'Sullivan	020 7475 2423
Experian Business Strategies (previously BSL)	Rajveer Berar	0870 196 8227
EC	John Macdonald	32 2 2955267
Economy.com Inc	Paul Guest	0208-785-5616
EIU	Phillip Whyte	020 7830 1287
Economic Perspectives	Peter Warburton	01582 539 861
Fortis Bank	Nick Kounis	0031 20 535 7106
Global Insight (previously DRI-WEFA)	Howard Archer	020 8544 7893
Goldman Sachs	Ann Terry	020 7774 1166
Hermes Pensions Management Ltd	Yasushi Okuda	020 7680 2395
HSBC	John Butler	0207 991 6718
ING Financial Markets	James Knightley	020 7767 6614
ISIS Asset Management plc (previously FIS)	Steve Andrew	020 7506 1537
ITEM club	Peter Spencer	01865 268913
J P Morgan	Malcolm Barr	020 7777 1080
Lehman Brothers	Alan Castle	020 7011 7745
Liverpool Macro Research	David Meenagh	029 2087 5198
Lombard St Research Ltd	Martin McMahon	020 7382 5913
Morgan Stanley	Melanie Baker	020 7425 8607
NIESR	Rebecca Riley	020 7222 7665
Oxford Economic Forecasting	Adrian Cooper	01865 202 828
RSBFM	Geoffrey Dicks	020 7375 4277
Schroders Investment Management	Richard Batley	020 7658 2011
Standard Chartered Bank	Gavin Redknap	020 7280 6690
UBS	Robyn Barnett	020 7568 8020
WestLB AG	Dr. Holger Sandte	0049 211 826 7398
Williams de Broë	David Smith	020 7898 2402