

# Forecasts for the UK Economy

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A comparison of independent forecasts

contains forecasts to 2009

Compiled by the Macroeconomic Prospects Team

May 2005

[www.hm-treasury.gov.uk/forecasts](http://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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**The next edition will be published on 22nd June 2005. It will also be available on the Treasury's Internet site: <http://www.hm-treasury.gov.uk>.**

**FORECASTS FOR THE UK ECONOMY**  
**A comparison of independent forecasts, May 2005**

This edition of the comparison contains 22 new forecasts, all of which were received between the 3rd and the 11th of May. The tables below summarise the average and range of independent forecasts for 2005 and 2006 and show the average of this month's new forecasts.

Forecasts for 2005	Independent <sup>+</sup>				Average of new* forecasts
	Averages		May		
	May	April	Lowest	Highest	
GDP growth (per cent)	2.5	2.5	1.4	3.0	2.5
Inflation rate (Q4: per cent)					
- CPI	1.8	1.8	1.4	2.2	1.8
- RPI	2.6	2.5	1.5	3.4	2.6
Claimant unemployment (Q4: mn)	0.86	0.85	0.76	1.10	0.87
Current account (£bn)	-28.0	-27.9	-38.7	-20.0	-27.4
PSNB (2005-06: £bn)	36.8	36.5	31.3	43.1	37.4

Forecasts for 2006	Independent <sup>+</sup>				Average of new* forecasts
	Averages		May		
	May	April	Lowest	Highest	
GDP growth (per cent)	2.3	2.4	0.4	3.1	2.3
Inflation rate (Q4: per cent)					
- CPI	1.9	1.9	1.5	2.5	1.9
- RPI	2.4	2.4	1.0	3.8	2.5
Claimant unemployment (Q4: mn)	0.89	0.88	0.71	1.25	0.89
Current account (£bn)	-28.7	-28.5	-38.6	-15.5	-28.4
PSNB (2006-07: £bn)	36.2	35.8	27.0	47.0	36.4

+ Independent and City averages, and the range of forecasts, are based on forecasts made in the last three months (May: 22 institutions, April: 9 institutions, March 2 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 - 2005: Growth in GDP and its components (% change)**

**May 2005 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
<b>City Forecasters</b>										
ABN AMRO	Apr	2.2	1.8	3.9	2.0 f	-	-	5.4	6.4	-
Bank of America	May *	2.3	1.8	3.2	3.7	4.6	2.4	4.2	4.9	-0.4
Barclays Capital	Apr	2.9	2.5	3.0	5.4	1.6	3.3	6.6	7.2	-0.5
Bridgewell	May *	2.5	2.1	3.8	3.4	2.5	2.8	5.0	5.6	-0.4
Capital Economics	Apr	2.0	1.5	3.0	3.5	0.9	2.2	4.5	5.0	-0.2
Citigroup	Mar	3.0	2.5	2.8	8.2	1.2	3.6	5.9	7.6	-0.6
Credit Suisse First Boston	Apr	2.8	2.5	3.2	5.5	2.7	3.3	5.6	6.9	-0.7
Daiwa Institute of Research	Apr	2.7	2.1	3.2	4.8	0.4	3.1	6.2	7.2	-
Deutsche Bank	Mar	2.5	2.4	3.2	4.6	0.8	2.9	4.8	6.0	-0.6
Dresdner Kleinwort Wasserstein	Jan	2.2	2.0	3.1	2.6	-	2.4	4.1	4.5	-0.2
Economic Perspectives	May *	1.4	1.8	4.3	-1.4	-1.8	1.5	0.1	0.7	-0.2
Fortis Bank	Feb	2.6	2.0	2.9	5.9	-	2.8	6.1	6.1	-0.1
Goldman Sachs	May *	2.6	2.0	3.3	3.4	0.2	2.7	3.0	3.3	-
Hermes	May *	2.1	1.8	3.5	4.0	2.1	2.6	3.4	4.8	-0.6
HSBC	Apr	2.1	1.7	3.3	3.4	-1.0	2.7	3.8	5.0	-0.3
ING Financial Markets	May *	2.3	1.2	3.6	5.4	0.0	2.8	6.4	6.8	-0.7
J P Morgan	May *	2.5	1.9	3.6	4.2	4.1	2.9	6.0	6.7	-0.5
Lehman Brothers	May *	2.3	1.6	3.6	4.8	0.8	2.5	0.7	1.8	-0.4
Lombard Street	May *	2.7	2.2	2.5	4.0	1.5	2.7	2.5	3.0	-0.3
MacroEcon.com	Feb	2.8	3.2	2.0	2.6	1.0	2.9	3.6	3.8	-
Morgan Stanley	May *	2.2	1.7	3.2	2.9	7.1	2.7	2.5	4.1	-0.6
RBS Financial Markets	May *	2.5	2.2	3.3	3.6	2.0	2.8	4.6	5.3	-0.4
Schroders Investment Management	Feb	2.4	2.3	2.1	3.6	2.0	2.6	3.5	3.5	-0.2
Standard Chartered Bank	May *	2.5	1.7	2.9	3.8	1.3	2.4	3.8	3.5	0.1
UBS	May *	2.6	1.9	3.6	4.2	5.8	3.1	3.4	4.8	-0.6
WestLB AG	Apr	2.5	2.1	3.4	4.1	0.9	2.9	3.5	4.8	-0.6
Williams de Broe	May *	2.8	2.4	3.4	5.1	3.8	3.3	5.0	6.7	-0.9
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Jan	2.7	2.5	3.0	4.2	0.8	2.8	6.3	6.0	-0.2
CBI	May *	2.7	2.2	3.0	4.0	0.8	2.7	3.5	3.6	-0.2
CEBR	May *	2.8	2.3	3.0	5.4	2.1	3.2	3.6	4.4	-
Economy.com	May *	2.7	2.4	2.3	2.3	2.5	2.5	4.8	3.9	-
Experian Business Strategies	May *	2.7	2.0	3.2	3.9	-0.3	2.5	4.1	3.3	0.0
EIU	Jan	2.3	2.2	2.7	2.8	1.2	2.4	3.3	3.5	-0.2
Global Insight	May *	2.4	1.9	3.7	3.8	-	2.7	4.1	4.6	-0.3
ITEM Club	Feb	2.6	2.6	3.1	2.7	0.0	2.8	4.6	4.8	-0.3
Liverpool Macro Research	May *	2.5	2.0 c	4.1 d	2.4 e	-	-	-	-	-
NIESR	May *	2.7	1.9	3.2	5.9	2.5 r	3.0	3.7	4.1	-0.3
OEF	May *	2.7	2.2	3.2	4.8	2.7	3.1	4.5	5.8	-0.6
EC	Apr	2.8	2.2	3.4	5.2	0.0	2.9	6.3	6.3	-0.3
OECD	Dec	2.6	1.8	1.9	5.3	0.0 h	2.4	6.5	6.5	0.1
IMF	Apr	2.6	2.5	3.0	4.9	0.0 h	2.9	4.1	5.1	-0.5
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.5	2.0	3.3	4.2	1.8	2.8	4.2	5.0	-0.4
New (marked *)		2.5	2.0	3.3	3.9	2.2	2.7	3.8	4.4	-0.4
City		2.4	2.0	3.3	4.1	1.9	2.8	4.2	5.1	-0.5
<b>Range of Forecasts made in the last 3 months</b>										
Highest		3.0	2.5	4.3	8.2	7.1	3.6	6.6	7.6	0.1
Lowest		1.4	1.2	2.3	-1.4	-1.8	1.5	0.1	0.7	-0.9
Median		2.5	2.1	3.2	4.1	1.4	2.8	4.1	5.0	-0.4
HM Treasury	Mar	3 to 3½	2¼ to 2¾	3¼	6 to 6¼	1.9 to 2.6	3¼ to 3½	6 to 6½	6 to 6½	-¼

**Table 2 - 2005: Growth in prices and monetary indicators (% change)**

**May 2005 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
<b>City Forecasters</b>									
ABN AMRO	Apr	1.6	-	1.6	4.2 gg	-	4.75	-	-
Bank of America	May *	1.8	-	2.0	4.6	-	4.50	50.0	-
Barclays Capital	Apr	2.2	2.8	2.2	4.9	99.5	5.25	-	-
Bridgewell	May *	1.9	3.4	2.8	4.5	100.9	5.25	-	12.5
Capital Economics	Apr	1.6	1.5	1.6	4.6	92.2	4.00	44.9	8.0
Citigroup	Mar	2.2	3.4	2.8	4.6	102.3	5.10	46.0	-
Credit Suisse First Boston	Apr	1.8	2.3	1.7	-	-	5.00	-	-
Daiwa Institute of Research	Apr	2.0	3.1	2.3	4.7	100.3	5.25	51.5	-
Deutsche Bank	Mar	1.8	2.0	-	4.3	100.2	4.25	-	7.1
Dresdner Kleinwort Wasserstein	Jan	1.7	1.7	1.8	-	-	4.00	-	-
Economic Perspectives	May *	1.6	2.2	1.8	3.9	97.0	4.50	48.0	7.5
Fortis Bank	Feb	1.5	-	-	4.5	99.0	5.00	-	-
Goldman Sachs	May *	2.1	-	2.2	4.8	97.0 j	5.00 j	46.7	9.2 j
Hermes	May *	1.8	2.5	2.3	4.5	97.0	4.75	-	-
HSBC	Apr	1.6	2.6	2.2	4.7	97.0	5.25	46.5	-
ING Financial Markets	May *	2.0	2.0	2.2	4.4	-	4.25	46.0	-
J P Morgan	May *	1.9	-	2.3	-	-	5.00	-	-
Lehman Brothers	May *	1.8	2.0	1.7	4.6	95.0	4.50	-	-
Lombard Street	May *	2.0	-	2.4	4.6	104.0	5.00	-	7.9
MacroEcon.com	Feb	3.0	3.6	3.5	-	101.0	4.50	45.0	8.0
Morgan Stanley	May *	2.0	2.3	2.1	4.8	100.1 j	4.75 j	-	-
RBS Financial Markets	May *	2.0	2.7	2.4	4.5	99.7 j	4.76 j	44.0	7.5
Schroders Investment Management	Feb	1.8	2.5	2.5	4.8	-	4.50	40.0	-
Standard Chartered Bank	May *	1.8	-	-	4.5	-	4.75	-	-
UBS	May *	2.1	2.8	2.3	4.5	98.1	5.00	32.0	5.0
WestLB AG	Apr	1.6	2.7	2.4	4.5	103.0	4.75	43.0	7.0
Williams de Broe	May *	1.5	2.0	2.0	4.6	103.4	5.00	50.6	10.4
<b>Non-City Forecasters</b>									
Cambridge Econometrics	Jan	-	2.8 k	2.2 k	4.6 n	103.5 k	5.10 ks	36.7	-
CBI	May *	1.8	2.9	2.0	4.1	103.0	5.00	38.6	-
CEBR	May *	1.4	3.4	2.4	4.7	103.7	4.83	49.0	6.5
Economy.com	May *	2.2	-	-	4.8	-	4.75	46.7	6.2
Experian Business Strategies	May *	1.8	2.8	2.4	4.7	98.2	4.75	48.1	-
EIU	Jan	1.5	-	-	4.4	101.1	4.50	36.8	6.5
Global Insight	May *	1.9	2.6	2.6	4.5	-	4.75	47.7	8.1
ITEM Club	Feb	1.9	2.6	2.5	4.6	99.0	4.80	39.0	8.3
Liverpool Macro Research	May *	-	-	2.1	3.8	104.5	4.30	-	-
NIESR	May *	1.9	2.9 k	2.1 k	4.8 r	101.8	5.14 s	47.5 v	-
OEF	May *	1.6	2.4	2.1	4.6	104.3	4.75	50.4	9.8
EC	Apr	1.8	3.4	2.8	4.7 r	-	-	50.9	-
OECD	Dec	-	-	-	4.8 gg	-	5.55 ks	-	-
IMF	Apr	1.5	-	-	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		1.8	2.6	2.2	4.5	100.3	4.79	46.3	8.0
New (marked *)		1.8	2.6	2.2	4.5	100.8	4.76	46.0	8.1
City		1.9	2.5	2.2	4.6	99.3	4.81	45.8	8.1
<b>Range of Forecasts made in the last 3 months</b>									
Highest		2.2	3.4	2.8	4.9	104.5	5.25	51.5	12.5
Lowest		1.4	1.5	1.6	3.8	92.2	4.00	32.0	5.0
Median		1.8	2.6	2.2	4.6	100.6	4.75	46.7	7.5
HM Treasury	Mar	1¾	-	-	-	-	-	-	-

**Table 3 - 2005: Growth in other selected variables (% change)**

**May 2005 Comparison**

Forecasters & dates of forecasts		Real Household Disposable Income	Employment Growth	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2005-06)
<b>City Forecasters</b>								
ABN AMRO	Apr	3.3	-	1.53 a	-	-	-	41.4
Bank of America	May *	-	-	-	-0.5	7.2	-21.0	39.8
Barclays Capital	Apr	3.3	0.7	0.77	2.9	-	-30.2	37.0 cc
Bridgewell	May *	2.2	0.7	0.84	0.5	-	-30.8	40.4
Capital Economics	Apr	2.8	0.5	0.90	2.0	6.0	-25.0	34.0
Citigroup	Mar	3.4	0.9	0.76	1.1	-	-34.4	31.3
Credit Suisse First Boston	Apr	-	-	-	-	-	-28.0	33.0
Daiwa Institute of Research	Apr	2.5	0.7	0.83	-	7.3	-30.5	33.0
Deutsche Bank	Mar	-	-	0.83	1.4	-	-28.0	35.0
Dresdner Kleinwort Wasserstein	Jan	-	-	0.84	-	-	-31.5	-
Economic Perspectives	May *	1.0	-0.5	1.01	0.7	5.0	-22.0	43.0
Fortis Bank	Feb	3.1	0.9	0.77	1.0	-	-27.0	35.0
Goldman Sachs	May *	-	0.9	0.78	0.8	-	-24.1	37.2
Hermes	May *	-	0.0	0.90	-	-	-20.0	-
HSBC	Apr	2.5	-0.1	0.90	1.4	-	-30.0	38.0
ING Financial Markets	May *	-	-	-	1.1	-	-29.0	38.0
J P Morgan	May *	-	-	-	-	-	-38.7	34.0
Lehman Brothers	May *	2.0	0.3	0.93	-0.1	-	-30.0	36.0
Lombard Street	May *	4.0	-	0.81	-	-	-25.8	-
MacroEcon.com	Feb	-	-	0.90	-	8.0	-20.0	-
Morgan Stanley	May *	3.0	0.5	-	0.9	-	-	37.7
RBS Financial Markets	May *	1.8	0.6	0.85	1.1	5.4	-27.5	33.0
Schroders Investment Management	Feb	-	-	0.95	2.0	-	-28.6	40.0
Standard Chartered Bank	May *	-	-	-	-	-	-26.0	36.0
UBS	May *	2.9	0.2	0.81	1.4	-	-25.0	34.0
WestLB AG	Apr	-	0.4	-	1.2	7.5	-32.0	-
Williams de Broe	May *	-	0.4	0.86	0.1	8.7	-28.9	36.6
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Jan	2.7	0.4	0.90 k	1.6	3.3 hh	-31.3	31.0 kcc
CBI	May *	2.5	0.6	0.83	1.8	3.9	-29.6	38.4
CEBR	May *	2.7	0.3	0.81	1.9	-	-32.1	43.1
Economy.com	May *	3.1	0.5	1.10	1.4	-	-28.6	-
Experian Business Strategies	May *	3.1	0.5	0.85	1.0	4.1	-22.4	41.6
EIU	Jan	2.5	0.3	0.85	1.2	6.9	-29.2	-
Global Insight	May *	2.6	0.7	0.83	0.5	-	-29.9	36.2
ITEM Club	Feb	3.2	0.4	0.80	0.8	7.5	-30.6	38.0
Liverpool Macro Research	May *	-	-	0.85	-	-	-29.8	37.6 cc
NIESR	May *	2.0	0.1	0.87 k	2.0	7.7 w	-24.3	33.0
OEF	May *	2.5	0.7	0.80	0.9	7.4	-29.5	35.9
EC	Apr	-	0.4	1.42 ak	-	-	-	3.0 eeg
OECD	Dec	-	-	4.73 aak	-	-	-2.4 g	-
IMF	Apr	-	0.6	4.60 aa	-	7.4 w	-2.5 g	-3.1 eeg
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.7	0.4	0.86	1.1	6.2	-28.0	36.8
New (marked *)		2.5	0.4	0.87	0.9	6.0	-27.4	37.4
City		2.7	0.4	0.85	1.0	6.7	-27.9	36.4
<b>Range of Forecasts made in the last 3 months</b>								
Highest		4.0	0.9	1.10	2.9	8.7	-20.0	43.1
Lowest		1.0	-0.5	0.76	-0.5	3.9	-38.7	31.3
Median		2.7	0.5	0.84	1.1	6.6	-28.9	36.2
HM Treasury	Mar	2¼ to 2½	-	-	1½ to 2	8¼ w	-34½	32

**Table 4 - 2006: Growth in GDP and its components (% change)**

May 2005 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
<b>City Forecasters</b>										
ABN AMRO	Apr	1.7	1.6	3.7	1.1 f	-	-	4.1	4.8	-
Bank of America	May *	2.0	1.5	1.7	2.2	4.6	1.7	3.3	2.0	0.2
Barclays Capital	Apr	2.7	2.4	3.1	4.7	1.6	3.0	6.1	6.4	-0.4
Bridgewell	May *	2.6	2.4	2.7	2.8	2.0	2.4	4.6	3.9	0.0
Capital Economics	Apr	2.2	1.5	2.9	2.5	0.0	1.9	3.0	2.0	0.3
Citigroup	Mar	2.9	2.0	2.9	7.8	0.4	3.1	6.4	6.5	-0.2
Credit Suisse First Boston	Apr	2.5	2.5	2.6	4.3	2.4	2.8	4.8	5.5	-0.5
Daiwa Institute of Research	Apr	3.1	2.6	2.7	3.7	0.0	2.7	7.7	6.0	-
Deutsche Bank	Mar	2.0	2.4	2.7	3.4	1.2	2.7	2.6	4.7	-0.8
Dresdner Kleinwort Wasserstein	Jan	-	-	-	-	-	-	-	-	-
Economic Perspectives	May *	0.4	0.6	3.5	-2.6	-2.0	0.6	-0.8	0.1	-0.2
Fortis Bank	Feb	2.5	1.5	3.0	3.2	-	2.1	7.1	5.0	0.4
Goldman Sachs	May *	2.6	2.2	2.9	2.9	0.0	2.4	4.5	3.8	-
Hermes	May *	2.6	2.2	2.1	3.3	0.5	2.2	3.5	2.3	0.2
HSBC	Apr	1.7	1.2	2.3	2.2	-1.8	1.6	1.9	1.5	0.1
ING Financial Markets	May *	1.7	1.3	2.9	3.6	-1.7	2.1	7.6	7.2	-0.5
J P Morgan	May *	2.5	2.1	3.2	3.5	3.1	2.4	5.8	5.0	-0.1
Lehman Brothers	May *	1.9	1.3	2.7	3.3	1.1	1.9	3.8	3.5	-0.1
Lombard Street	May *	1.8	2.7	1.4	3.5	0.5	2.5	1.5	3.8	-0.8
MacroEcon.com	Feb	2.9	3.3	1.7	2.7	1.5	2.9	3.4	3.5	-
Morgan Stanley	May *	2.5	2.1	3.0	2.4	6.5	2.3	3.8	2.9	0.1
RBS Financial Markets	May *	2.4	2.1	3.0	3.1	2.0	2.4	4.5	4.3	-0.2
Schroders Investment Management	Feb	2.0	2.0	1.7	3.5	1.5	-	3.0	2.5	0.0
Standard Chartered Bank	May *	2.4	1.5	2.6	4.2	1.5	2.2	3.8	2.8	0.1
UBS	May *	2.4	2.6	2.1	4.0	6.1	2.7	3.1	3.7	-0.3
WestLB AG	Apr	2.3	2.2	3.0	2.4	0.8	2.5	3.5	2.7	0.1
Williams de Broe	May *	3.1	3.1	2.8	5.4	5.3	3.6	6.8	7.7	-0.8
<b>Non-City Forecasters</b>										
Cambridge Econometrics	Jan	2.4	2.3	2.6	2.9	0.8	2.4	6.1	4.2	-0.2
CBI	May *	2.6	2.4	3.0	3.4	3.0	2.8	3.5	4.3	-0.4
CEBR	May *	2.5	2.2	2.5	3.4	3.2	2.6	3.4	3.5	-
Economy.com	May *	2.0	1.8	3.1	3.3	1.1	2.2	4.7	4.5	-
Experian Business Strategies	May *	2.8	2.2	1.9	2.9	3.1	2.6	6.5	5.1	0.1
EIU	Jan	-	-	-	-	-	-	-	-	-
Global Insight	May *	2.4	2.1	2.9	2.8	-	2.3	4.3	3.7	0.1
ITEM Club	Feb	2.4	2.1	2.6	3.4	0.0	2.5	6.3	5.9	-0.2
Liverpool Macro Research	May *	2.3	2.1 c	5.2 d	1.3 e	-	-	-	-	-
NIESR	May *	2.7	1.9	3.0	4.3	3.0 r	2.6	3.3	3.0	0.0
OEF	May *	2.5	2.4	2.7	3.3	2.0	2.5	6.5	6.3	-0.3
EC	Apr	2.8	2.3	3.2	4.2	0.0	2.8	5.3	4.9	-0.1
OECD	Dec	-	-	-	-	-	-	-	-	-
IMF	Apr	2.6	2.3	3.0	4.0	0.0 h	2.7	4.9	5.0	-0.3
<b>Average of Forecasts made in the last 3 months</b>										
Independent		2.3	2.1	2.7	3.4	1.7	2.4	4.3	4.2	-0.2
New (marked *)		2.3	2.0	2.6	3.1	2.2	2.3	4.2	4.0	-0.2
City		2.3	2.0	2.7	3.3	1.5	2.4	4.2	4.1	-0.2
<b>Range of Forecasts made in the last 3 months</b>										
Highest		3.1	3.1	3.7	7.8	6.5	3.6	7.7	7.7	0.3
Lowest		0.4	0.6	1.4	-2.6	-2.0	0.6	-0.8	0.1	-0.8
Median		2.5	2.2	2.9	3.4	1.4	2.5	4.2	4.1	-0.1
HM Treasury	Mar	2½ to 3	2 to 2½	3	4 to 4½	1.3 to 3.1	2½ to 3	6¼ to 6¾	5½ to 6	0

**Table 5 - 2006: Growth in prices and monetary indicators (% change)**

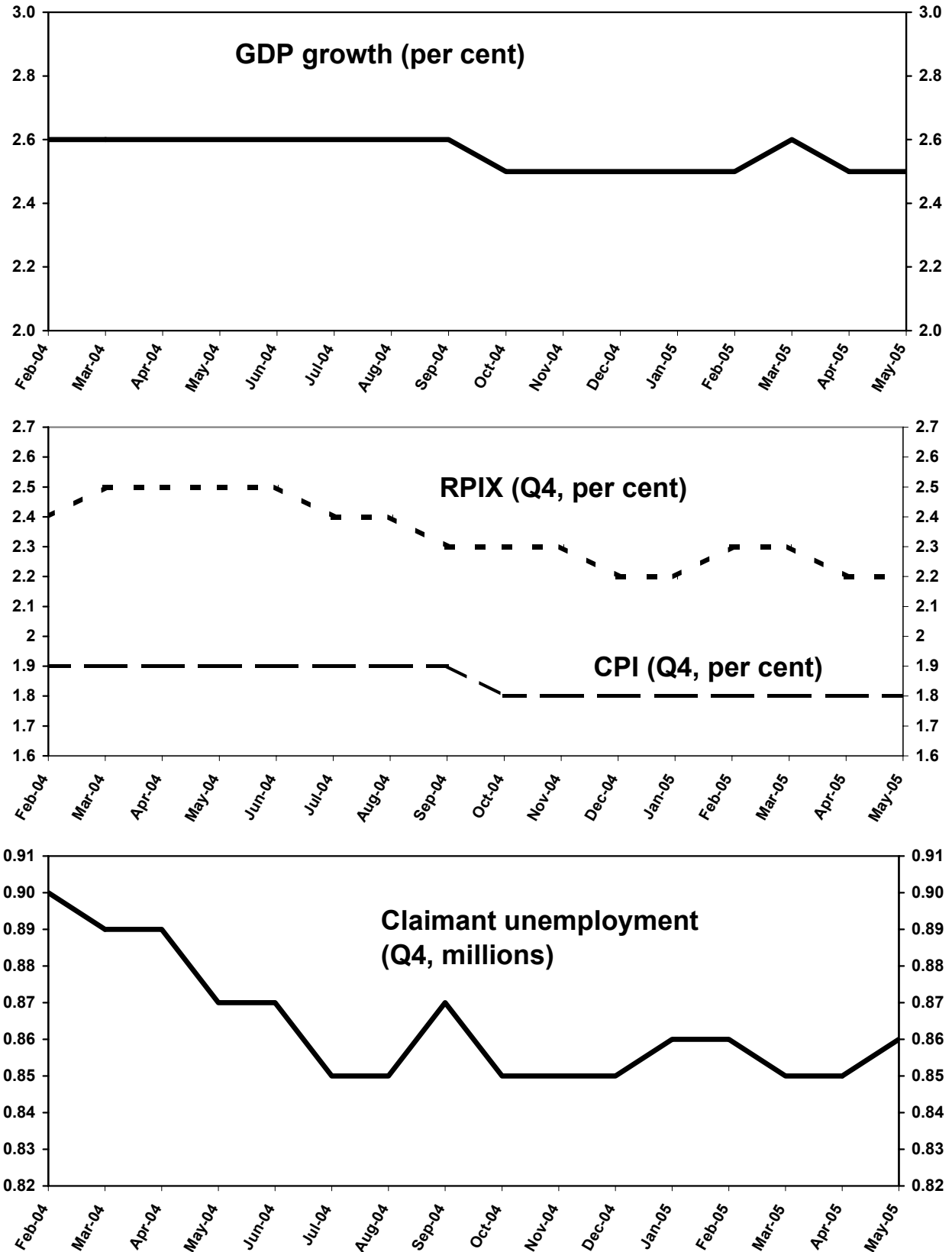
May 2005 Comparison

Forecasters & dates of forecasts		CPI (Q4)	RPI (Q4)	RPIX (Q4)	Average Earnings	Sterling Index (Q4)	Bank of England Repo Rate (Q4,%)	Oil price (\$)	M4
<b>City Forecasters</b>									
ABN AMRO	Apr	1.7	-	1.6	3.7 gg	-	4.75	-	-
Bank of America	May *	1.6	-	1.8	3.9	-	3.75	45.0	-
Barclays Capital	Apr	1.8	2.5	2.3	4.8	101.3	5.25	-	-
Bridgewell	May *	2.5	3.2	3.4	4.5	98.3	5.50	-	11.2
Capital Economics	Apr	1.5	1.0	1.1	4.2	91.0	3.60	37.5	6.5
Citigroup	Mar	2.4	3.8	3.2	4.8	101.6	5.25	43.0	-
Credit Suisse First Boston	Apr	2.0	2.0	2.2	-	-	4.50	-	-
Daiwa Institute of Research	Apr	2.3	3.0	2.8	4.9	98.4	5.25	44.5	-
Deutsche Bank	Mar	1.6	2.2	-	4.2	100.2	4.00	-	6.4
Dresdner Kleinwort Wasserstein	Jan	-	-	-	-	-	-	-	-
Economic Perspectives	May *	1.7	1.8	1.6	3.6	90.0	4.00	45.0	6.5
Fortis Bank	Feb	2.1	-	-	4.5	91.0	5.00	-	-
Goldman Sachs	May *	2.0	-	2.2	4.5	97.0 j	5.00 j	45.5	8.3 j
Hermes	May *	1.8	2.5	2.3	4.5	93.0	4.75	-	-
HSBC	Apr	1.6	1.9	2.1	3.8	95.5	4.00	43.0	-
ING Financial Markets	May *	1.9	2.2	2.4	4.2	-	4.75	42.0	-
J P Morgan	May *	1.8	-	-	-	-	5.25	-	-
Lehman Brothers	May *	1.8	1.1	1.7	4.5	90.0	3.50	-	-
Lombard Street	May *	2.0	-	2.3	4.5	104.0	4.75	-	6.1
MacroEcon.com	Feb	3.2	3.9	3.9	-	101.0	4.80	42.0	9.5
Morgan Stanley	May *	2.0	2.9	2.5	4.0	101.5 j	5.00 j	-	-
RBS Financial Markets	May *	2.0	2.4	2.5	4.4	101.6 j	5.01 j	36.0	6.5
Schroders Investment Management	Feb	1.6	2.1	2.1	4.3	-	4.00	40.0	-
Standard Chartered Bank	May *	1.7	-	-	4.2	-	4.00	-	-
UBS	May *	2.2	2.8	2.5	4.7	95.2	5.00	28.0	5.0
WestLB AG	Apr	1.8	2.2	2.1	4.4	102.0	4.50	43.0	6.5
Williams de Broe	May *	2.1	2.6	2.5	4.5	99.5	5.50	52.0	8.1
<b>Non-City Forecasters</b>									
Cambridge Econometrics	Jan	-	2.2 k	2.1 k	4.2 n	101.5 k	5.00 ks	38.0	-
CBI	May *	2.1	3.1	2.3	4.5	101.5	5.00	31.5	-
CEBR	May *	1.5	3.0	2.2	4.7	103.9	5.10	42.7	5.5
Economy.com	May *	1.7	-	-	4.3	-	4.25	36.7	6.6
Experian Business Strategies	May *	1.9	2.5	2.4	4.4	97.9	4.50	42.7	-
EIU	Jan	-	-	-	-	-	-	-	-
Global Insight	May *	1.7	1.9	2.3	4.4	-	4.25	46.6	6.5
ITEM Club	Feb	2.0	2.9	2.7	4.8	96.2	4.80	35.0	8.0
Liverpool Macro Research	May *	-	-	2.0	4.5	105.2	4.50	-	-
NIESR	May *	2.0	3.3 k	2.6 k	5.1 r	99.7	5.25 s	47.6 v	-
OEF	May *	1.7	2.4	2.2	4.2	105.3	4.50	44.0	6.3
EC	Apr	2.1	3.4	2.6	5.1 r	-	-	48.0	-
OECD	Dec	-	-	-	-	-	-	-	-
IMF	Apr	1.8	-	-	-	-	-	-	-
<b>Average of Forecasts made in the last 3 months</b>									
Independent		1.9	2.4	2.3	4.4	98.7	4.59	41.9	6.8
New (marked *)		1.9	2.5	2.3	4.4	98.7	4.60	41.4	6.8
City		1.9	2.4	2.3	4.4	97.1	4.59	42.0	7.0
<b>Range of Forecasts made in the last 3 months</b>									
Highest		2.5	3.8	3.4	4.9	105.3	5.50	52.0	11.2
Lowest		1.5	1.0	1.1	3.6	90.0	3.50	28.0	5.0
Median		1.8	2.5	2.3	4.4	99.6	4.50	43.0	6.5
HM Treasury	Mar	2	-	-	-	-	-	-	-

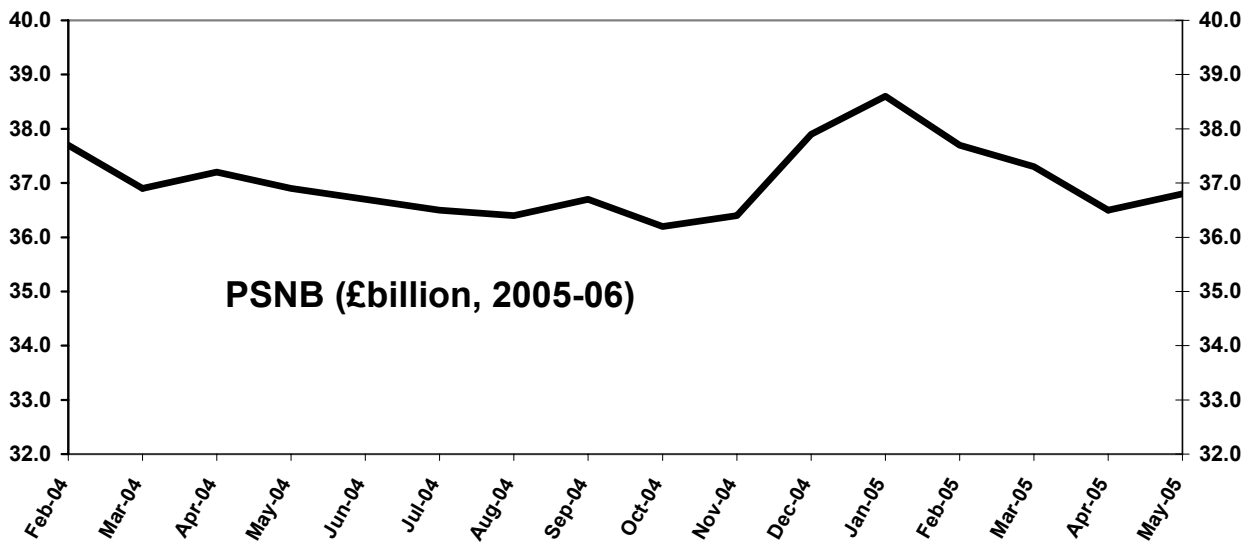
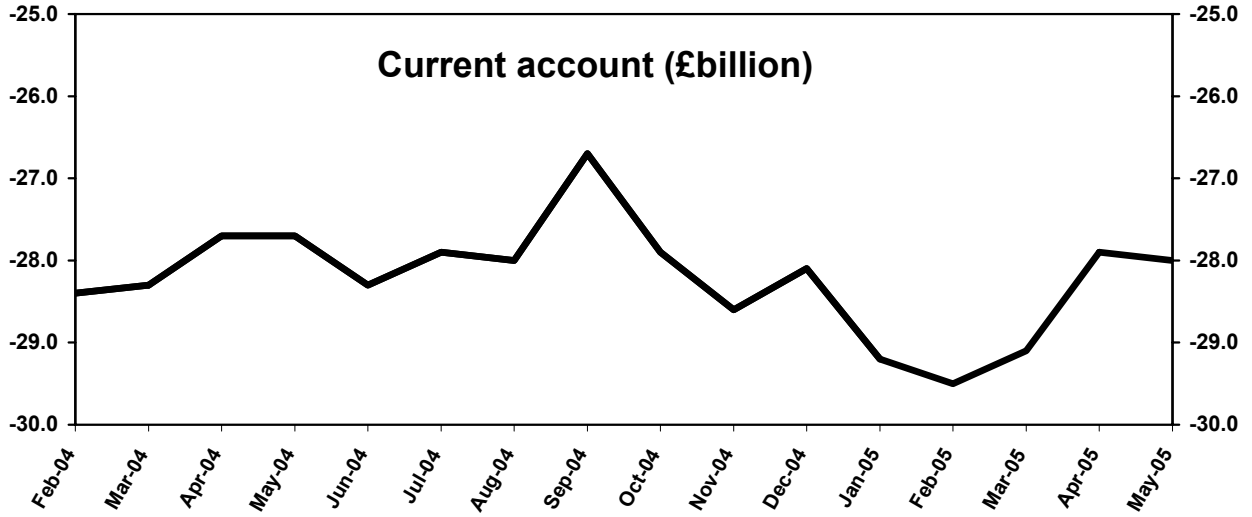
**Table 6 - 2006: Growth in other selected variables (% change)**

Forecasters & dates of forecasts	May 2005 Comparison							
	Real Household Disposable Income	Employment Growth	Claimant Unemployment (Q4, millions)	Manufacturing Output	World Trade in Manufactures	Current account (£bn)	PSNB (£bn 2006-07)	
<b>City Forecasters</b>								
ABN AMRO	Apr	2.9	-	1.77 a	-	-	-	46.5
Bank of America	May *	-	-	-	1.4	7.0	-15.5	43.6
Barclays Capital	Apr	2.1	0.6	0.74	3.1	-	-25.3	37.0 cc
Bridgewater	May *	2.0	0.7	0.84	2.1	-	-31.6	40.8
Capital Economics	Apr	1.9	0.1	1.00	2.5	7.5	-20.0	27.0
Citigroup	Mar	3.3	1.1	0.74	1.6	-	-34.4	-
Credit Suisse First Boston	Apr	-	-	-	-	-	-30.0	33.0
Daiwa Institute of Research	Apr	3.0	1.0	0.80	-	7.2	-31.4	29.7
Deutsche Bank	Mar	-	-	0.95	0.0	-	-35.0	-
Dresdner Kleinwort Wasserstein	Jan	-	-	-	-	-	-	-
Economic Perspectives	May *	0.8	-0.7	1.25	0.4	3.0	-18.0	47.0
Fortis Bank	Feb	2.5	0.7	0.77	2.4	-	-27.0	-
Goldman Sachs	May *	-	0.7	0.71	1.6	-	-22.9	36.3
Hermes	May *	-	0.0	0.94	-	-	-18.0	-
HSBC	Apr	2.0	-0.2	1.20	0.9	-	-27.0	42.0
ING Financial Markets	May *	-	-	-	1.5	-	-30.0	41.0
J P Morgan	May *	-	-	-	-	-	-35.3	30.0
Lehman Brothers	May *	1.7	-0.1	1.04	1.5	-	-30.0	33.0
Lombard Street	May *	4.0	-	0.85	-	-	-30.0	-
MacroEcon.com	Feb	-	-	0.90	-	10.0	-19.4	-
Morgan Stanley	May *	2.2	0.7	-	2.0	-	-	35.3
RBS Financial Markets	May *	2.7	0.5	0.87	0.8	4.4	-29.5	32.0
Schroders Investment Management	Feb	-	-	1.00	1.7	-	-26.0	-
Standard Chartered Bank	May *	-	-	-	-	-	-22.0	35.0
UBS	May *	3.2	0.2	0.81	2.0	-	-28.4	30.0
WestLB AG	Apr	-	0.7	-	1.8	7.0	-31.0	-
Williams de Broe	May *	-	0.2	0.90	1.3	9.2	-38.6	39.0
<b>Non-City Forecasters</b>								
Cambridge Econometrics	Jan	2.5	0.3	1.00 k	1.5	3.1 hh	-29.2	-
CBI	May *	2.7	1.1	0.81	1.7	4.2	-31.3	35.3
CEBR	May *	2.7	0.2	0.83	1.0	-	-31.3	38.5
Economy.com	May *	2.6	-0.2	1.00	1.2	-	-29.7	-
Experian Business Strategies	May *	2.7	0.7	0.81	2.2	4.7	-33.5	33.4
EIU	Jan	-	-	-	-	-	-	-
Global Insight	May *	2.6	0.0	0.83	2.0	-	-27.3	32.2
ITEM Club	Feb	2.0	0.2	0.78	2.2	7.0	-30.1	38.0
Liverpool Macro Research	May *	-	-	0.92	-	-	-34.8	39.3 cc
NIESR	May *	2.7	0.2	0.90 k	2.2	5.3 w	-27.3	37.8
OEF	May *	2.7	0.7	0.83	1.9	6.8	-32.1	34.7
EC	Apr	-	0.5	1.43 ak	-	-	-	2.7 eeg
OECD	Dec	-	-	-	-	-	-	-
IMF	Apr	-	0.5	4.60 aa	-	7.6 w	-2.5 g	-2.4 eeg
<b>Average of Forecasts made in the last 3 months</b>								
Independent		2.5	0.4	0.89	1.6	6.1	-28.7	36.2
New (marked *)		2.5	0.3	0.89	1.6	5.6	-28.4	36.4
City		2.4	0.4	0.91	1.5	6.5	-27.8	36.5
<b>Range of Forecasts made in the last 3 months</b>								
Highest		4.0	1.1	1.25	3.1	9.2	-15.5	47.0
Lowest		0.8	-0.7	0.71	0.0	3.0	-38.6	27.0
Median		2.7	0.5	0.85	1.6	6.9	-30.0	35.3
HM Treasury	Mar	1¼ to 2¼	-	-	1¼ to 2¼	7¼ w	-35¼	29

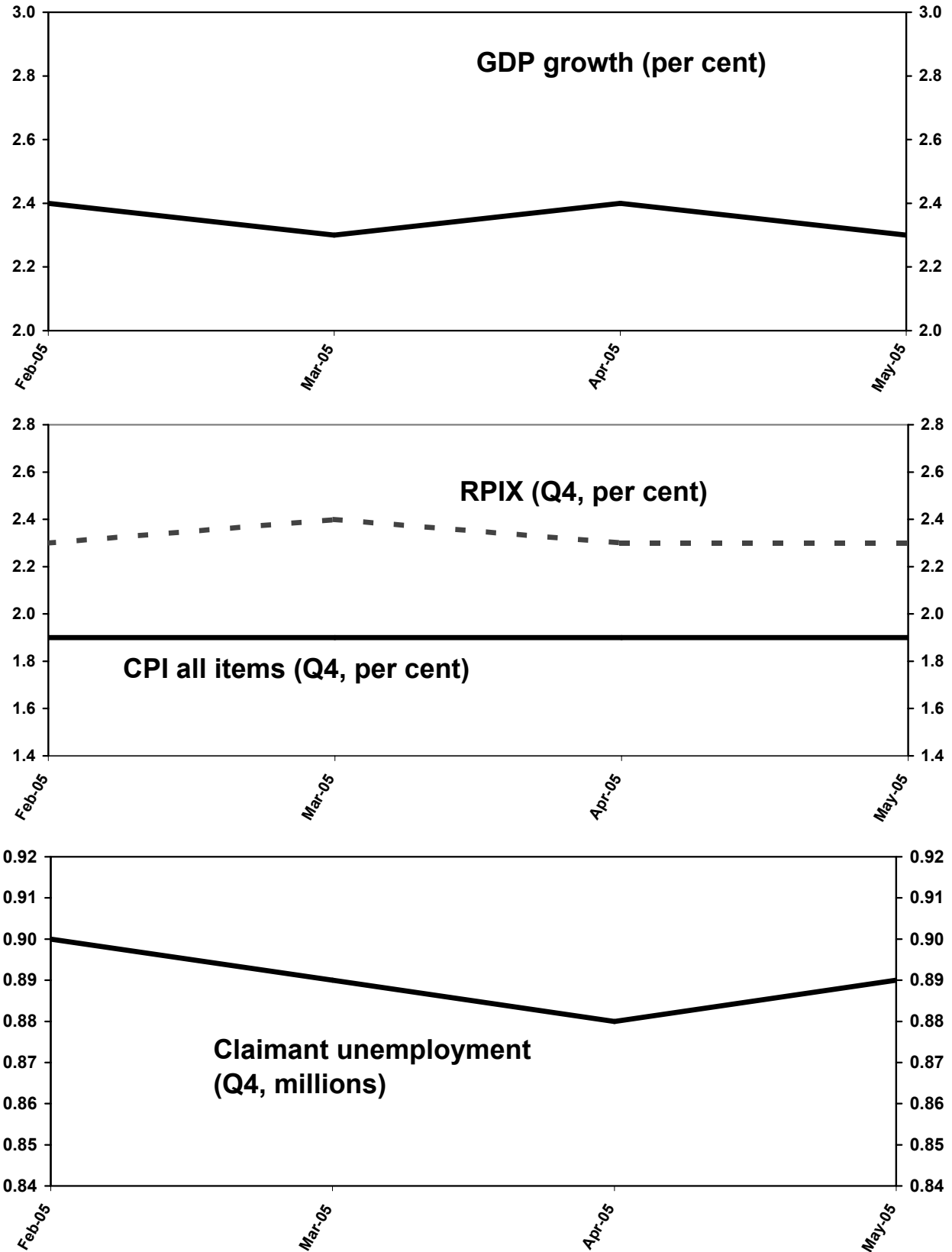
## Average of independent forecasts for 2005; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



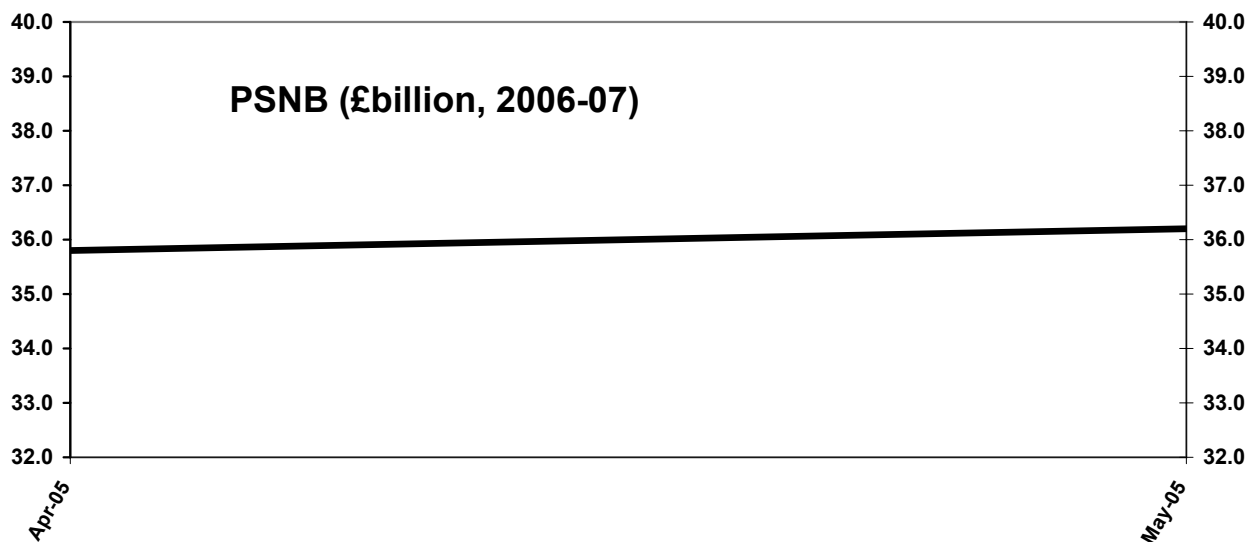
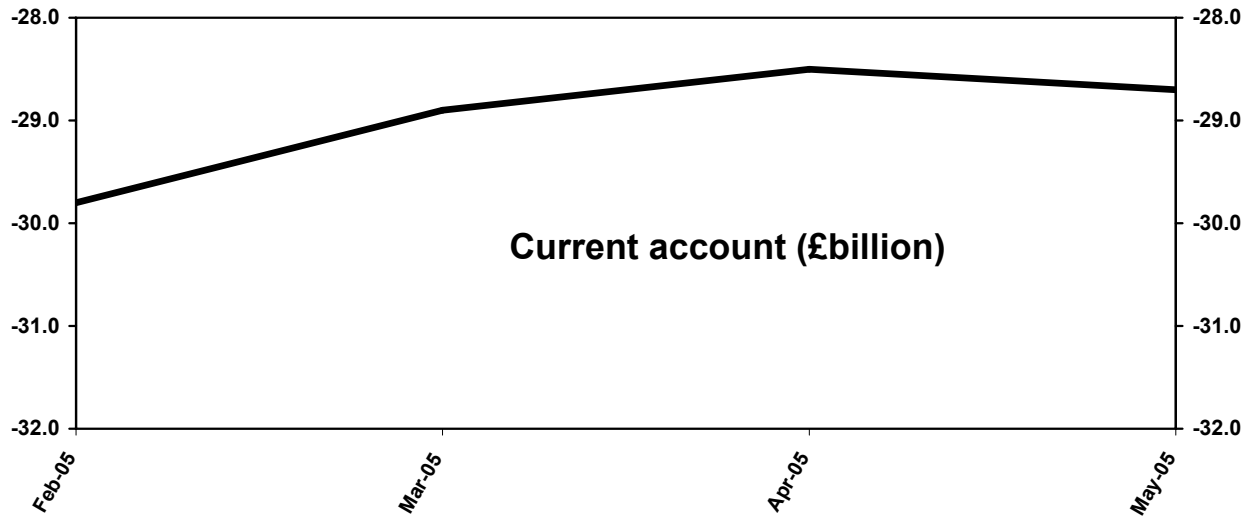
## Average of independent forecasts for 2005; Current account and PSNB (2005-06, £billion)



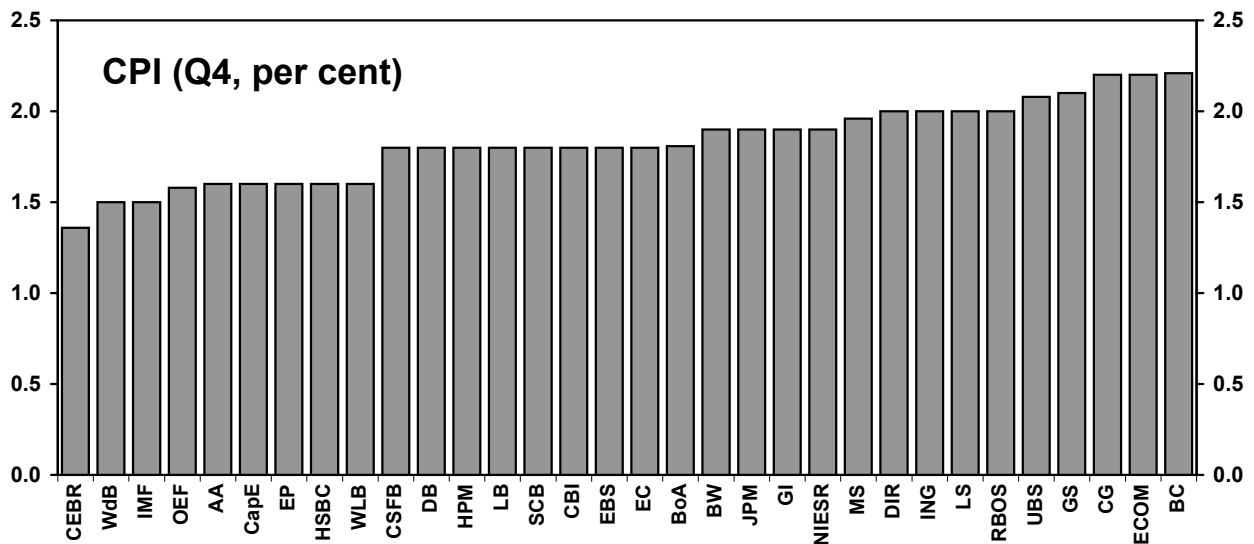
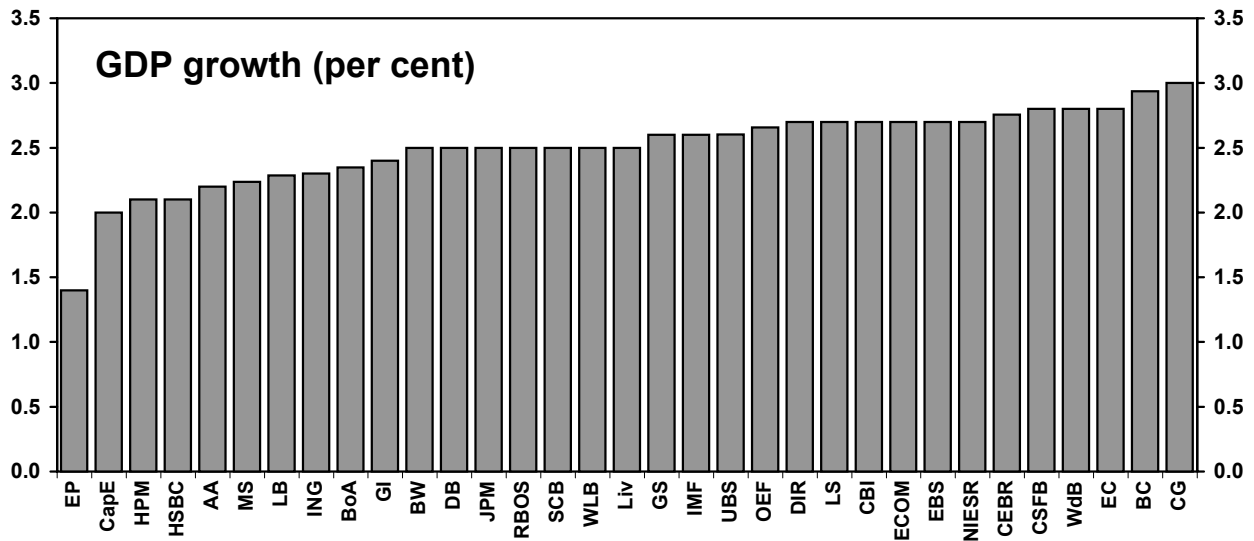
## Average of independent forecasts for 2006; GDP growth, CPI & RPIX Inflation and Claimant Unemployment



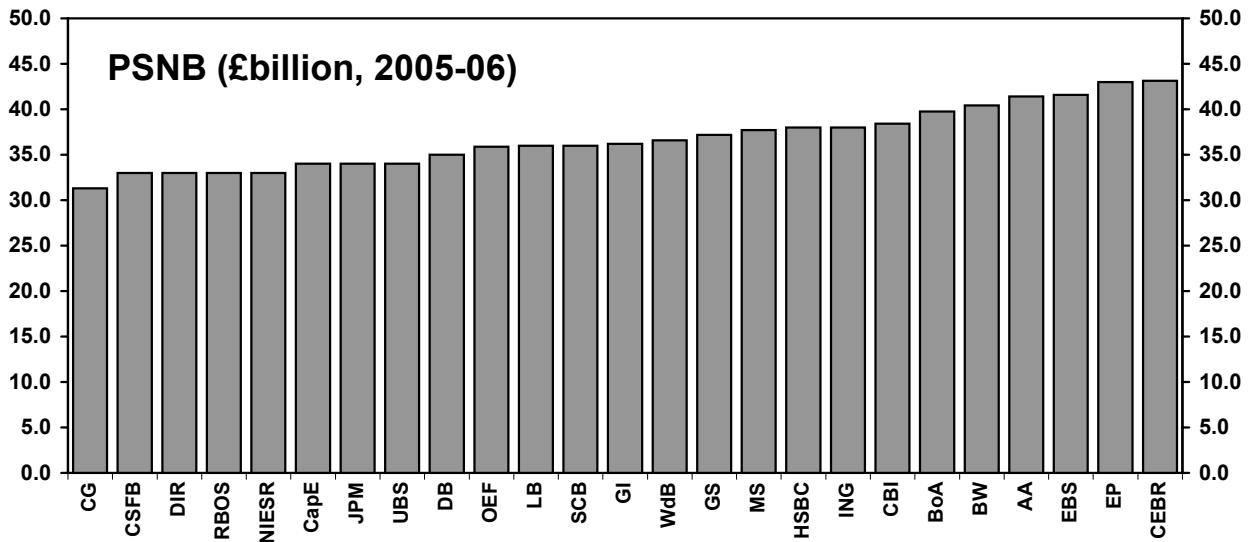
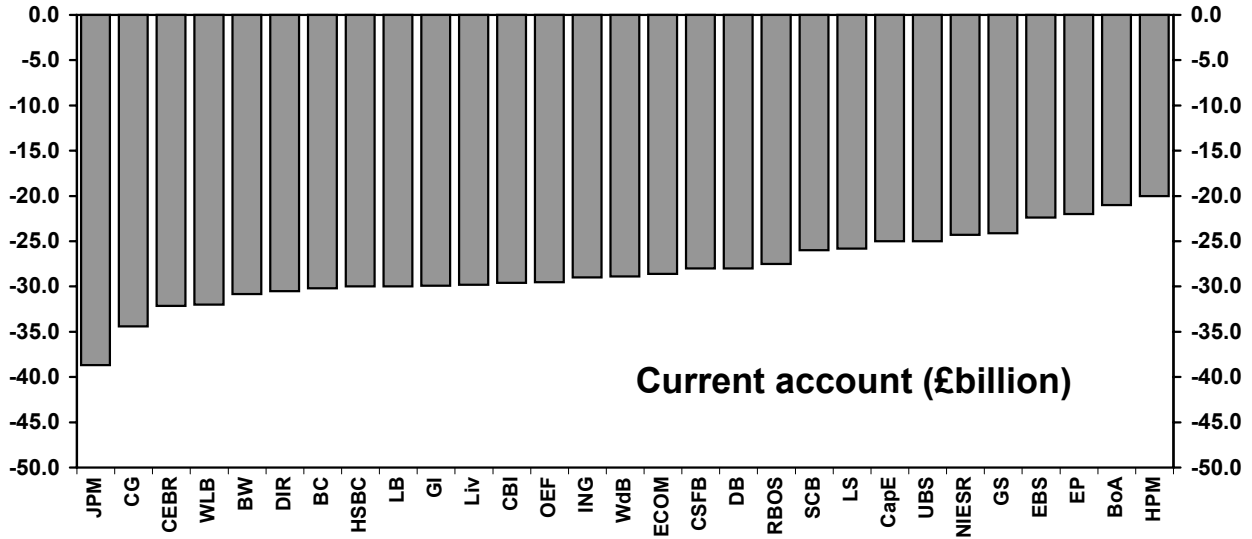
## Average of independent forecasts for 2006; Current account and PSNB (2006-07, £billion)



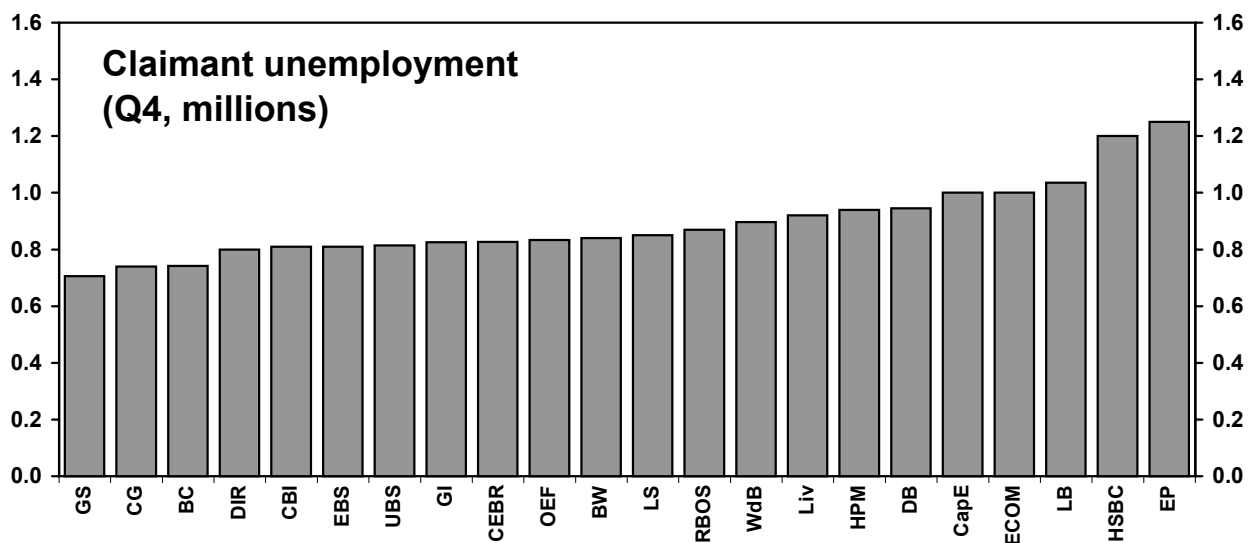
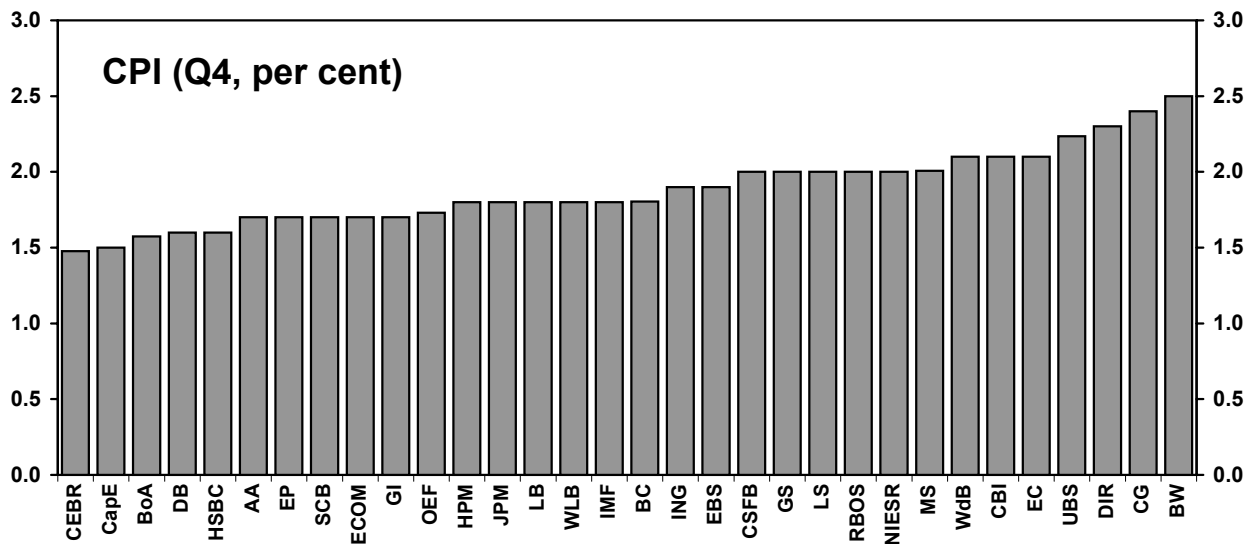
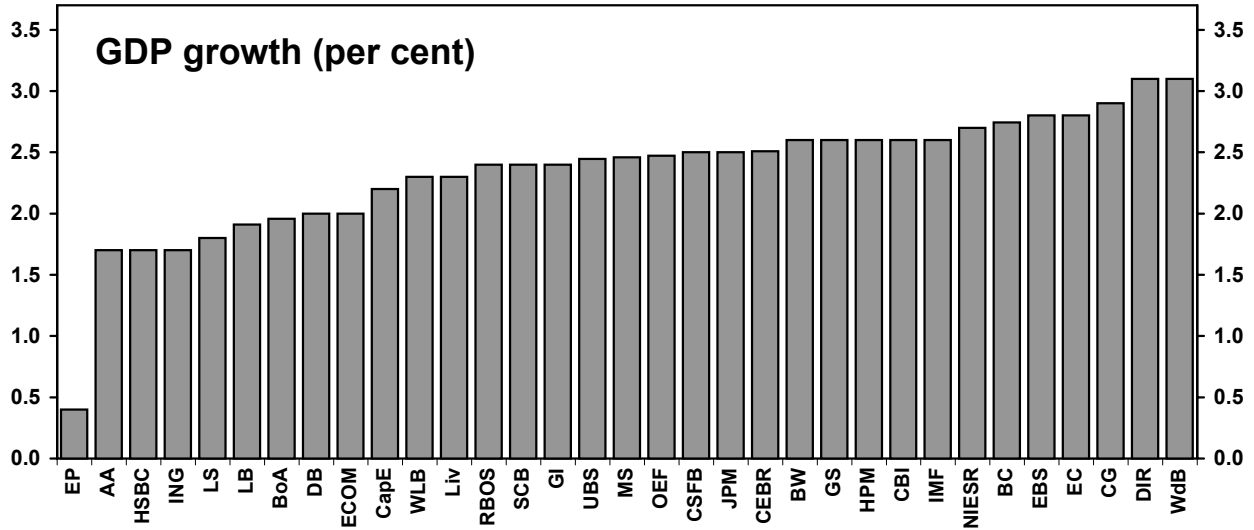
## Range of Forecasts for 2005; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



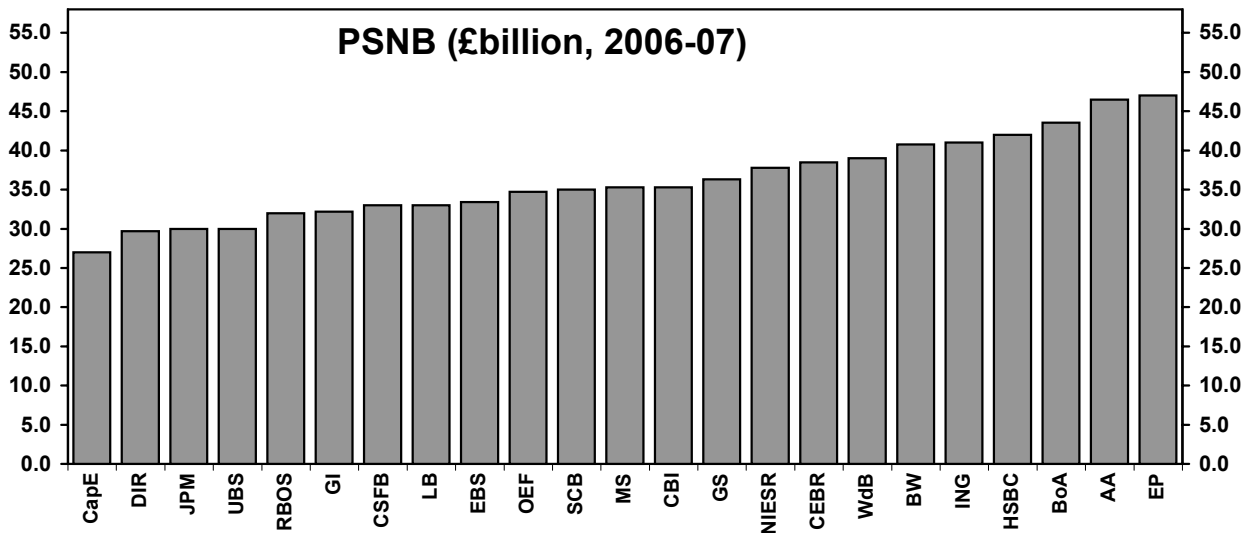
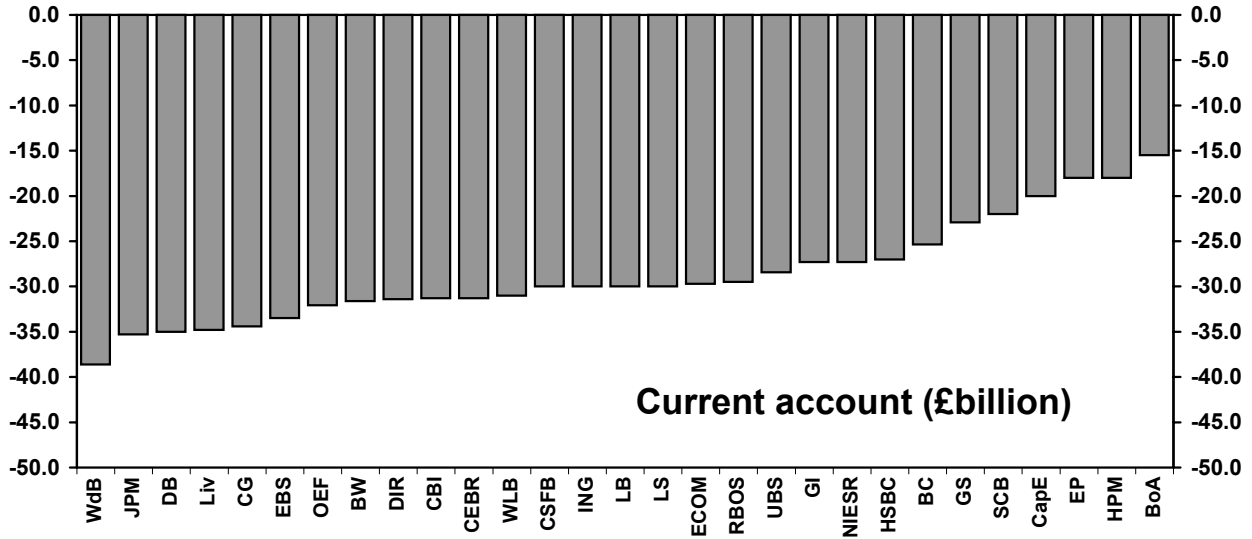
## Range of Forecasts for 2005; Current Account (£bn) and PSNB (2005-06, £bn) made in last 3 months



## Range of Forecasts for 2006; GDP, CPI and Claimant Unemployment (millions) made in last 3 months



## Range of Forecasts for 2006; Current Account (£bn) and PSNB (2006-07, £bn) made in last 3 months



## Medium-term forecasts, May 2005

This edition of the comparison contains medium-term projections from 21 forecasters for the calendar years 2005 to 2009, and the fiscal years 2005-06 to 2008-09. The table below summarises the independent average, which is the average of all medium-term projections.

	Independent average				
	2005	2006	2007	2008	2009
GDP growth (per cent)	2.6	2.5	2.6	2.6	2.5
Inflation rate (per cent)					
- CPI	1.9	1.9	2.0	2.1	2.1
- RPI exc MIPs	2.4	2.5	2.5	2.6	2.6
Claimant unemployment (millions)	0.86	0.88	0.89	0.90	0.94
Current account (£bn)	-27.4	-29.0	-28.9	-28.8	-31.3

	Independent average			
	2005-06	2006-07	2007-08	2008-09
PSNB (£bn)	36.7	35.6	35.0	33.8

**Table M1: Medium-term forecasts for GDP and the GDP deflator**

**May 2005 comparison**

<u>GDP (percentage change)</u>					<u>GDP Deflator (percentage change)</u>				
2005	2006	2007	2008	2009		2005-06	2006-07	2007-08	2008-09
<u>City forecasters</u>									
2.3	2.0	2.0	2.2	2.6	Bank of America	-	-	-	-
2.0	2.2	2.4	2.7	-	Capital Economics	-	-	-	-
3.1	2.9	2.8	2.8	2.8	Citigroup	2.8	2.5	2.3	2.3
2.7	2.9	2.7	2.7	-	Goldman Sachs	2.6	k 2.8	k 2.8	k 2.5
2.1	1.7	2.5	2.5	2.5	HSBC	-	2.5	2.5	2.5
2.8	3.1	2.2	1.8	1.6	Williams de Broe	2.1	2.3	2.3	2.8
2.0	2.3	2.3	2.3	-	Hermes	-	-	-	-
2.4	2.3	2.5	2.5	-	West LB AG	-	-	-	-
2.8	2.5	2.7	2.6	2.5	Daiwa	2.0	2.4	2.3	2.5
2.3	1.7	2.4	2.5	2.5	ING	-	-	-	-
3.5	3.5	3.4	3.4	3.2	MacroEcon.com	2.5	3.2	3.8	4.0
<u>Non-City forecasters</u>									
2.8	2.5	2.1	2.1	2.7	CEBR	2.8	2.4	2.4	2.3
2.6	2.4	2.6	2.9	2.5	ITEM Club	3.0	3.1	2.8	-
2.5	2.3	2.5	2.1	2.2	Liverpool Macro Research	-	-	-	-
2.4	2.4	2.9	2.7	2.5	Global Insight	2.1	2.5	2.1	2.4
2.7	2.4	2.1	2.2	2.2	Cambridge Econometrics	2.5	k 2.6	k 2.5	k 2.4
2.7	2.0	2.5	3.1	3.0	Economy.com	-	-	-	-
2.8	2.8	-	-	-	European Commission	2.2	k 2.4	k -	-
2.7	2.8	2.6	2.5	2.4	Experian	1.1	1.3	1.7	1.9
2.7	2.5	2.8	2.8	2.5	OEF	1.8	2.1	2.2	2.4
2.7	2.7	2.4	2.3	-	NIESR	2.2	k 2.6	k 3.2	k 3.5
2.6	2.5	2.6	2.6	2.5	Independent Average	2.2	2.4	2.4	2.6
3.5	3.5	3.4	3.4	3.2	Highest	3.0	3.2	3.8	4.0
2.0	1.7	2.1	1.8	1.6	Lowest	1.1	1.3	1.7	1.9

**Table M2: Medium-term forecasts for Domestic Demand and Net Trade**

**May 2005 comparison**

<u>Domestic Demand (percentage change)</u>					<u>Contribution of net trade to GDP growth (per cent)</u>					
2005	2006	2007	2008	2009		2005	2006	2007	2008	2009
<u>City forecasters</u>										
2.4	1.7	1.7	1.8	2.0	Bank of America	-0.4	0.2	0.2	0.4	0.5
2.2	2.0	2.2	2.5	-	Capital Economics	-0.2	0.2	0.2	0.2	-
3.4	3.2	2.7	2.8	2.9	Citigroup	-0.3	-0.2	0.0	0.0	0.0
2.3	1.5	2.5	2.5	2.5	HSBC	-0.1	0.2	0.0	0.0	0.0
3.3	3.6	1.8	1.1	1.0	Williams de Broe	-0.9	-0.8	0.3	0.7	0.6
1.7	2.3	2.3	2.3	-	Hermes	-0.1	0.0	0.0	0.0	-
2.9	2.0	2.3	2.3	-	West LB AG	-0.5	-0.3	-0.3	-0.3	-
3.0	2.5	2.9	2.7	2.6	Daiwa	-	-	-	-	-
2.8	2.1	2.4	2.7	2.7	ING	-0.7	-0.5	-0.1	-0.3	-0.3
3.3	3.4	3.3	3.3	3.1	MacroEcon.com	-	-	-	-	-
<u>Non-City forecasters</u>										
3.2	2.6	2.3	2.4	2.7	CEBR	-	-	-	-	-
2.8	2.5	2.6	2.8	2.7	ITEM Club	-0.3	-0.2	-0.1	-0.1	-0.1
2.7	2.3	3.1	2.9	2.7	Global Insight	-0.3	0.1	-0.2	-0.2	-0.2
2.8	2.4	2.1	2.3	2.4	Cambridge Econometrics	-0.2	-0.2	0.0	-0.2	-0.3
2.5	2.2	2.9	3.6	3.4	Economy.com	-	-	-	-	-
2.5	2.6	2.2	2.0	2.0	Experian	0.0	0.1	0.3	0.4	0.3
3.1	2.5	2.8	2.7	2.5	OEF	-0.6	-0.3	-0.3	-0.2	-0.2
3.0	2.6	2.4	-	-	NIESR	-0.3	0.0	-0.1	-	-
2.8	2.5	2.5	2.6	2.5	Independent average	-0.3	-0.1	0.0	0.0	0.0
3.4	3.6	3.3	3.6	3.4	Highest	0.0	0.2	0.3	0.7	0.6
1.7	1.5	1.8	1.1	1.0	Lowest	-0.9	-0.8	-0.3	-0.3	-0.3

**Table M3: Medium-term forecasts for CPI and RPIX inflation (per cent)**

May 2005 comparison

<u>CPI inflation (per cent), annual average</u>					<u>RPIX (per cent), annual average</u>					
2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
<u>City forecasters</u>										
1.8	1.6	1.7	1.8	2.0	Bank of America	2.2	1.9	1.8	1.9	2.2
1.8	1.4	1.8	1.8	-	Capital Economics	2.5	1.7	2.0	2.0	-
1.8	2.3	2.3	2.2	2.0	Citigroup	2.5	3.1	3.2	3.2	3.0
2.0	2.0	2.0	2.0	-	Goldman Sachs	2.2	2.8	2.8	2.8	-
1.5	1.7	2.0	2.0	2.0	HSBC	2.1	2.2	2.8	2.8	2.8
1.7	1.9	2.2	2.5	2.6	Williams de Broe	2.3	2.4	2.7	2.9	2.8
1.8	2.0	2.0	2.0	-	Hermes	2.4	2.5	2.5	2.5	-
1.9	1.6	1.8	1.9	1.9	Daiwa	2.4	2.2	2.4	2.5	2.5
1.9	1.8	1.8	2.0	2.0	ING	2.2	2.3	2.3	2.4	2.4
3.0	3.2	3.3	3.4	3.4	MacroEcon.com	3.5	3.9	4.0	4.1	4.2
<u>Non-City forecasters</u>										
1.7	1.9	2.0	1.9	1.9	CEBR	2.4	2.4	2.7	2.7	3.0
1.7	1.9	1.9	2.0	2.0	ITEM Club	2.3	2.7	2.7	2.7	2.8
-	-	-	-	-	Liverpool Macro Research	2.1	2.0	1.8	1.7	1.8
1.8	1.8	1.6	1.7	1.6	Global Insight	2.5	2.4	2.2	2.3	2.2
-	-	-	-	-	Cambridge Econometrics	2.2	2.1	2.0	2.1	2.3
2.1	1.9	1.8	1.9	1.6	Economy.com	-	-	-	-	-
1.8	1.9	1.7	1.7	1.7	Experian	2.3	2.5	2.2	2.3	2.4
1.8	1.7	1.7	1.8	1.9	OEF	2.3	2.2	2.3	2.5	2.5
1.8	2.1	2.2	2.3	-	NIESR	2.1	2.6	2.7	-	-
1.9	1.9	2.0	2.1	2.1	Independent Average	2.4	2.5	2.5	2.6	2.6
3.0	3.2	3.3	3.4	3.4	Highest	3.5	3.9	4.0	4.1	4.2
1.5	1.4	1.6	1.7	1.6	Lowest	2.1	1.7	1.8	1.7	1.8

**Table M4: Medium-term forecasts for Sterling Index and BoE repo rate**

May 2005 comparison

<u>Sterling Index (annual average, 1990=100)</u>					<u>Bank of England repo rate (annual average, per cent)</u>					
2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
<u>City forecasters</u>										
-	-	-	-	-	Bank of America	4.70	3.95	3.75	4.25	4.50
98.8	94.0	93.0	93.0	-	Capital Economics	4.45	3.50	4.00	4.50	-
101.6	100.6	99.6	98.6	97.6	Citigroup	5.00	5.25	5.25	5.25	5.25
97.0	j 95.0	j 95.0	j 95.0	j -	Goldman Sachs	-	-	-	-	-
95.5	95.2	95.2	95.2	95.2	HSBC	5.10	4.00	4.50	5.00	5.00
103.3	101.4	96.9	93.3	91.1	Williams de Broe	4.90	5.30	5.60	5.70	5.70
100.0	100.0	100.0	100.0	-	Hermes	4.25	4.50	4.50	4.50	-
100.6	104.4	103.8	103.5	103.0	Daiwa	4.75	4.60	4.50	4.50	4.50
-	-	-	-	-	ING	4.50	4.50	4.75	5.00	5.00
101.0	101.0	101.0	101.0	101.0	MacroEcon.com	4.50	4.80	5.10	5.20	5.30
<u>Non-City forecasters</u>										
104.4	102.3	97.0	93.8	94.5	CEBR	5.06	5.00	4.20	3.99	3.87
100.4	97.0	95.4	94.1	92.7	ITEM Club	4.80	4.80	4.80	4.80	4.80
105.0	105.7	106.4	107.0	107.6	Liverpool Macro Research	3.60	3.90	4.40	4.70	5.20
-	-	-	-	-	Global Insight	4.80	4.40	4.40	4.40	4.30
103.5	102.6	100.8	100.0	96.7	Cambridge Econometrics	5.10 s	5.10 s	5.00 s	5.00 s	5.00 s
-	-	-	-	-	Economy.com	4.75	4.31	4.44	5.13	5.00
100.1	98.0	98.2	98.4	98.6	Experian	4.75	4.69	4.13	3.83	3.75
103.5	104.9	105.3	105.4	105.4	OEF	4.78	4.56	4.50	4.50	4.50
102.3	100.4	98.6	97.2	-	NIESR	5.00 s	5.25 s	5.25 s	5.25 s	-
101.2	100.4	99.6	99.0	98.9	Independent average	4.72	4.55	4.65	4.79	4.86
105.0	105.7	106.4	107.0	107.6	Highest	5.10	5.30	5.60	5.70	5.70
95.5	94.0	93.0	93.0	91.1	Lowest	4.25	3.50	4.00	3.83	3.75

**Table M5: Medium-term forecasts for Claimant unemployment**

May 2005 comparison

<u>Claimant unemployment (annual average, millions)</u>					
	2005	2006	2007	2008	2009
<u>City forecasters</u>					
Capital Economics	2.70	x 2.50	x 2.50	x 0.90	-
Citigroup	0.76	0.71	0.70	0.69	0.67
Goldman Sachs	0.78	0.68	0.57	0.50	-
HSBC	0.85	1.04	-	-	-
Williams de Broe	0.84	0.88	0.93	0.98	1.02
Hermes	0.93	1.00	1.00	1.00	-
Daiwa	0.80	0.81	0.87	0.93	0.96
ING	0.85	0.94	0.98	0.92	0.92
MacroEcon.com	0.87	0.81	0.78	0.765	0.7575
<u>Non-City forecasters</u>					
CEBR	0.82	0.84	0.93	1.00	0.93
ITEM Club	0.82	0.80	0.78	0.75	0.75
Liverpool Macro Research	0.88	0.91	1.08	1.21	1.32
Cambridge Econometrics	0.90	1.00	1.00	1.10	1.10
Economy.com	1.10	1.10	1.20	1.20	1.10
Experian	0.84	0.83	0.77	0.75	0.75
OEF	0.81	0.82	0.88	0.93	0.96
NIESR	0.87	0.90	0.91	-	-
<u>Independent average</u>					
	0.86	0.88	0.89	0.90	0.94
<u>Highest</u>					
	1.10	1.10	1.20	1.21	1.32
<u>Lowest</u>					
	0.76	0.68	0.57	0.50	0.67

**Table M6: Medium-term forecasts for Current Account**

May 2005 comparison

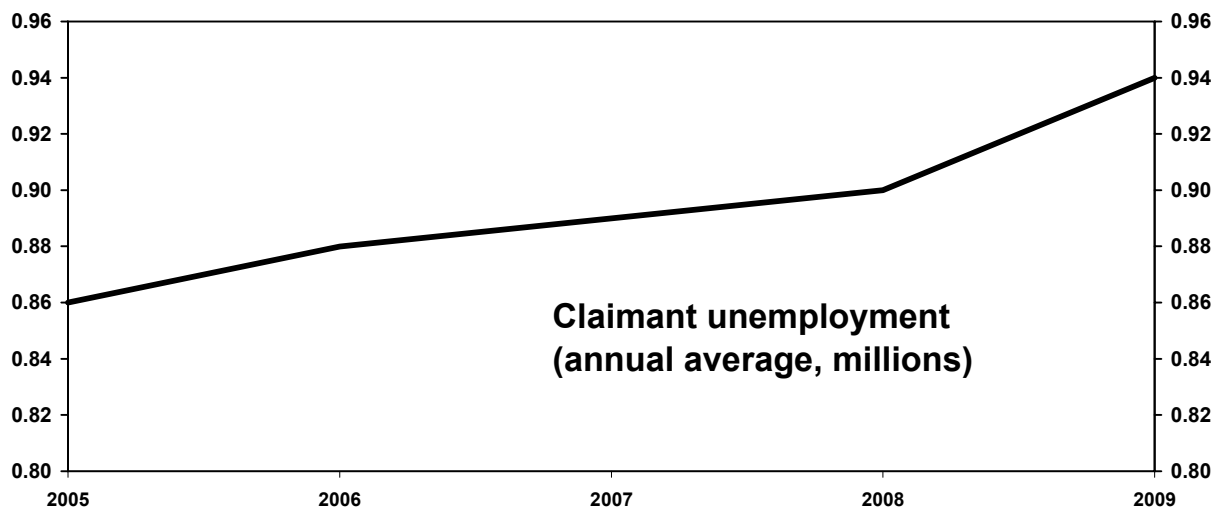
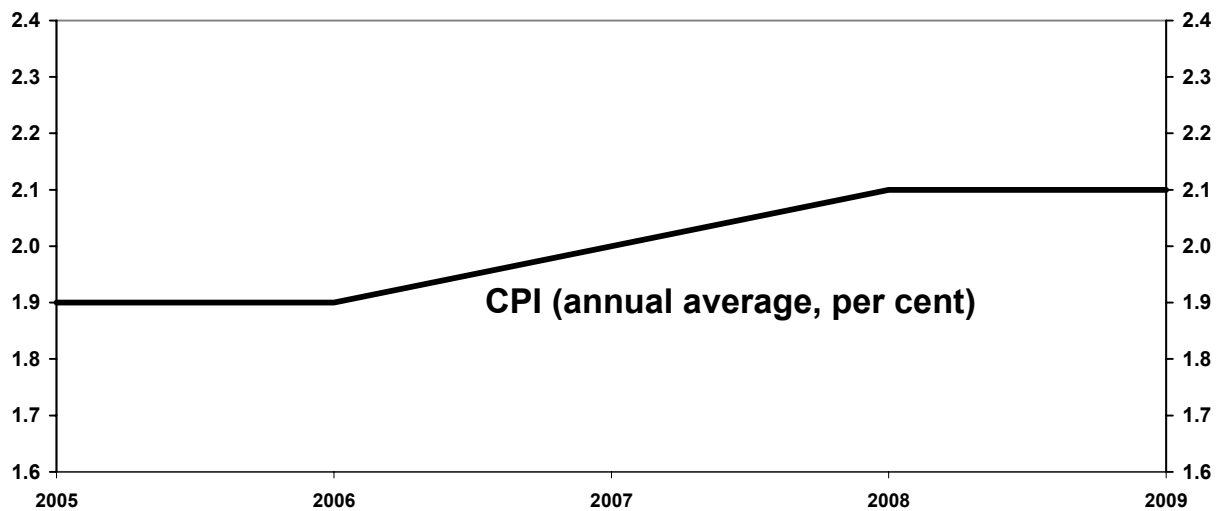
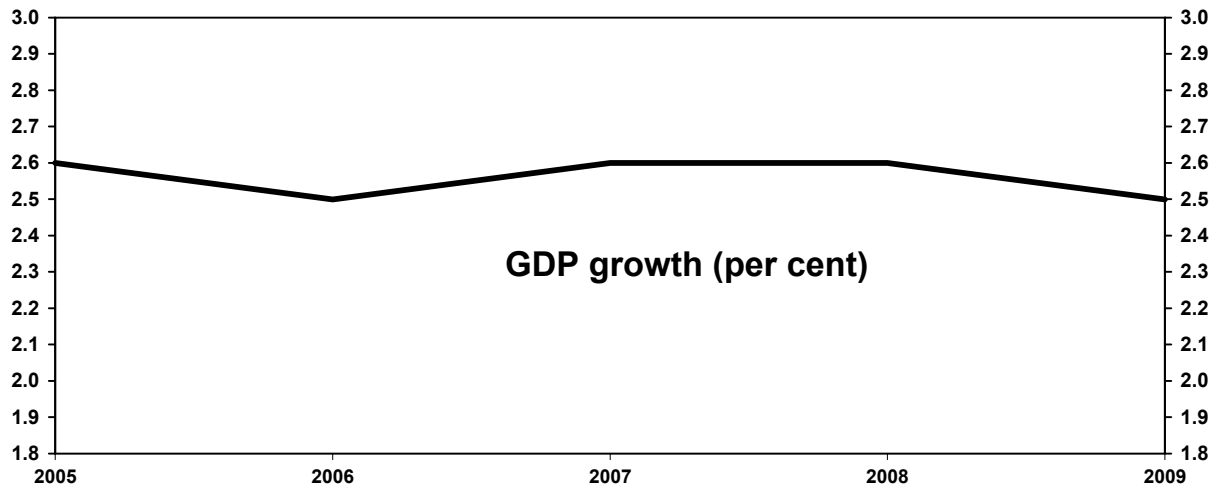
<u>Current Account (£ billion)</u>					<u>Current Account (per cent of money GDP)</u>					
2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
<u>City forecasters</u>										
-21.0	-15.5	-11.5	-10.0	-9.0	Bank of America	-1.7	-1.2	-0.9	-0.9	-0.8
-25.0	-20.0	-	-	-	Capital Economics	-	-	-	-	-
-32.6	-32.6	-29.5	-26.2	-22.8	Citigroup	-2.7	-2.5	-2.2	-1.8	-1.5
-24.1	-28.5	-30.2	-31.9	-	Goldman Sachs	-2.0	-2.2	-2.2	-2.2	-
-30.0	-38.0	-25.0	-20.0	-20.0	HSBC	-3.2	-3.3	-2.2	-1.8	-1.8
-28.9	-38.6	-42.0	-42.3	-41.0	Williams de Broe	-2.4	-3.0	-3.1	-3.0	-2.8
-20.0	-12.0	-12.0	-12.0	-	Hermes	-1.7	-1.0	-1.0	-1.0	-
-30.7	-31.5	-34.6	-37.1	-40.6	Daiwa	-2.5	-2.5	-2.6	-2.6	-2.7
-20.0	-19.4	-18.6	-18.1	-17.5	MacroEcon.com	-1.8	-1.7	-1.6	-1.5	-1.4
<u>Non-City forecasters</u>										
-32.1	-31.1	-31.5	-33.5	-34.9	CEBR	-2.6	-2.4	-2.3	-2.4	-2.4
-30.6	-30.1	-30.7	-32.5	-37.4	ITEM Club	-2.5	-2.3	-2.3	-2.3	-2.5
-29.8	-34.8	-41.9	-51.3	-54.7	Liverpool Macro Research	-	-	-	-	-
-29.9	-27.3	-24.3	-24.5	-25.8	Global Insight	-2.5	-2.1	-1.8	-1.7	-1.7
-31.3	-29.2	-25.4	-21.9	-24.3	Cambridge Econometrics	-2.9	-2.6	-2.1	-1.8	-1.9
-28.6	-29.7	-26.3	-28.9	-27.7	Economy.com	-2.3	-2.3	-2.0	-2.1	-1.9
-22.5	-33.6	-35.2	-30.7	-26.6	Experian	-1.9	-2.7	-2.7	-2.3	-1.9
-29.5	-32.1	-34.1	-35.1	-37.5	OEF	-2.4	-2.5	-2.6	-2.5	-2.5
-24.3	-27.3	-23.5	-19.0	-	NIESR	-2.0	-2.1	-1.7	-1.3	-
<u>Independent average</u>										
-27.4	-29.0	-28.9	-28.8	-31.3		-2.3	-2.3	-2.1	-2.0	-2.1
<u>Highest</u>										
-20.0	-12.0	-12.0	-12.0	-17.5		-1.7	-1.0	-1.0	-1.0	-1.4
<u>Lowest</u>										
-32.6	-38.6	-42.0	-51.3	-54.7		-3.2	-3.3	-3.1	-3.0	-2.8

**Table M7: Medium-term forecasts for PSNB**

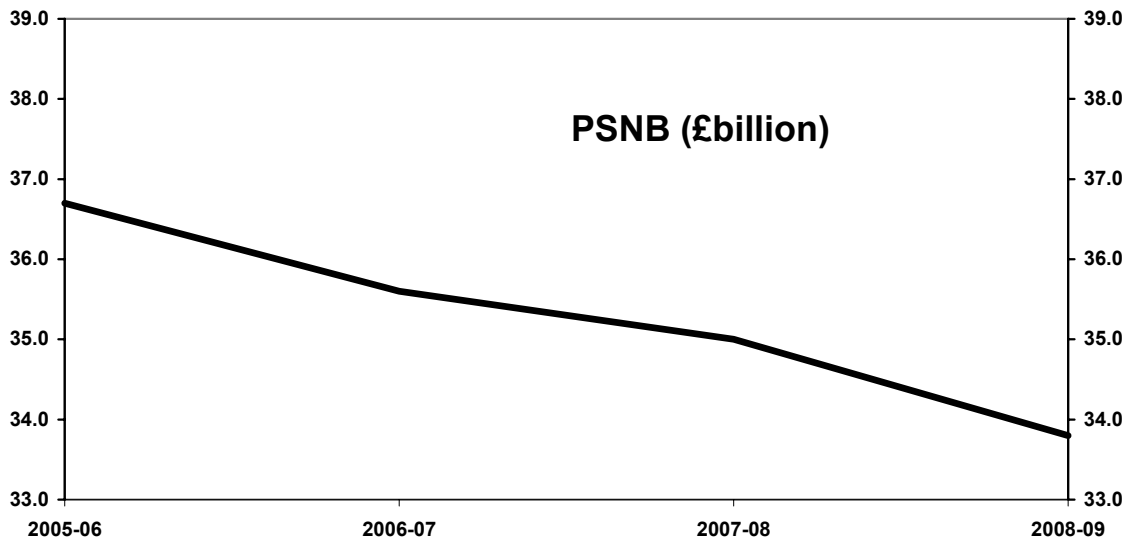
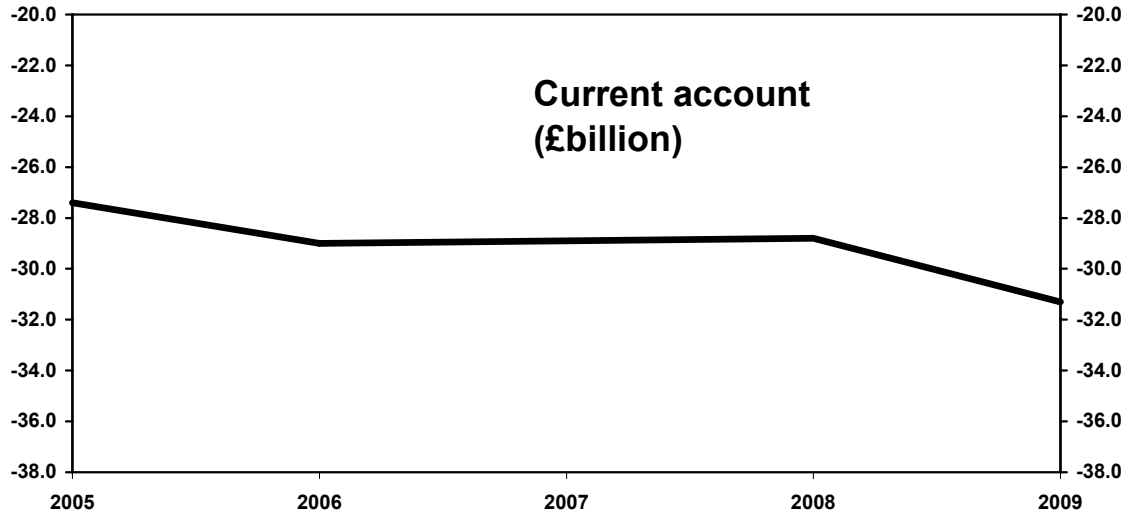
**May 2005 comparison**

<u>PSNB (£ billion)</u>					<u>PSNB (per cent of money GDP)</u>			
2005-06	2006-07	2007-08	2008-09		2005-06	2006-07	2007-08	2008-09
<u>City forecasters</u>								
39.8	43.6	40.0	37.0	Bank of America	3.2	3.4	3.2	2.6
37.0	30.0	28.0	24.0	Capital Economics	3.0	2.3	2.1	1.7
36.0	36.0	36.0	34.0	Citigroup	3.1	2.9	2.8	2.5
37.2	36.3	31.9	23.7	Goldman Sachs	3.0	2.8	2.3	1.6
34.0	38.0	42.0	42.0	HSBC	3.3	3.5	3.8	3.8
36.6	39.0	47.1	58.6	Williams de Broe	2.9	3.0	3.5	4.2
36.7	36.0	35.1	37.5	Daiwa	3.1	2.9	2.7	2.8
<u>Non-City forecasters</u>								
43.1	38.5	37.1	37.2	CEBR	3.5	3.0	2.8	2.7
40.0	33.0	30.0	30.0	ITEM Club	3.2	2.5	2.2	-
26.0 cc	28.3 cc	31.6 cc	34.7 cc	Liverpool Macro Research	2.4 cc	2.5 cc	2.7 cc	2.8 cc
36.2	32.2	27.6	25.0	Global Insight	2.9	2.5	2.0	1.7
32.3 kcc	31.0 kcc	25.9 kcc	25.5 kcc	Cambridge Econometrics	3.0 kcc	2.7 kcc	2.2 kcc	2.1 kcc
41.6	33.4	27.0	20.7	Experian	3.4	2.6	2.0	1.5
35.9	34.7	36.6	36.5	OEF	2.9	2.7	2.7	2.6
33.0	37.8	36.8	30.1	NIESR	2.7	2.9	2.7	2.1
<b>36.7</b>	<b>35.6</b>	<b>35.0</b>	<b>33.8</b>	<b>Independent average</b>	<b>3.1</b>	<b>2.8</b>	<b>2.7</b>	<b>2.5</b>
41.6	39.0	47.1	58.6	Highest	3.4	3.5	3.8	4.2
33.0	32.2	27.0	20.7	Lowest	2.7	2.5	2.0	1.5

## Average of medium-term forecasts for GDP growth, CPI inflation and Claimant Unemployment



## Average of medium-term forecasts for Current account and PSNB (£billion)



## 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

<b><u>Organisation</u></b>	<b><u>Contact</u></b>	<b><u>Telephone number</u></b>
ABN AMRO	James Carrick	020 7678 7575
Bank of America	Lorenzo Codogno	020 7174 4101
Barclays Capital	George Johns	020 7773 4308
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 Suisse First Boston	Neville Hill	020 7888 1334
Daiwa Institute of Research	Don Egginton	020 7597 8470
Deutsche Bank	George Buckley	020 7545 1372
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