

**UNITED KINGDOM - ECONOMIC SURVEY - OCTOBER 2017**

RETURN TO: CONSENSUS ECONOMICS INC.

by e-mail: [cf@consensuseconomics.com](mailto:cf@consensuseconomics.com)

by fax: (44 20) 7409 2331



Please enter your details below:

Name: Peter Warburton Company: Economic Perspectives Ltd Date: #####

**ECONOMIC FORECASTS (CALENDAR YEAR BASIS)**

**DEADLINE**

October 9

**SPECIAL QUESTION - LONG-TERM FORECASTS**

(average)

\* (average % change on previous CALENDAR year)

|                                                                                                         | 2016   | 2017 | 2018 | 2019  | 2020  | 2021  | 2022  | 2023-27 |
|---------------------------------------------------------------------------------------------------------|--------|------|------|-------|-------|-------|-------|---------|
| Gross Domestic Product, Chained 2012 Prices*                                                            | 1.8    | 1.4  | 1.0  | 0.7   | 1.5   | 2.2   | 2.4   | 2.2     |
| Household Final Consumption Expenditure, Chained 2012 prices*                                           | 2.9    | 1.6  | 0.3  | 0.4   | 0.5   | 1.5   | 1.7   | 1.5     |
| Gross Fixed Capital Formation, Chained 2012 prices*                                                     | 1.3    | 2.2  | 2.4  | 0.0   | 1.5   | 2.0   | 2.0   | 2.0     |
| Private Non-Financial Corps Trading Profits (excluding North Sea)*                                      | 7.8    | 4.0  | 0.0  |       |       |       |       |         |
| Manufacturing Production, 2013=100*                                                                     | 0.7    | 1.2  | 0.5  | -0.3  | 0.7   | 1.2   | 1.4   | 1.4     |
| Retail Price Index, "underlying (ex-MIPs)" or RPI-X, January 13, 1987=100*                              | 1.9    | 3.2  | 3.6  | 4.0   | 4.5   | 4.5   | 4.0   | 3.5     |
| Consumer Prices Index (Previously HICP), 2015 = 100*                                                    | 0.7    | 2.5  | 3.0  | 3.5   | 4.0   | 4.0   | 3.5   | 3.0     |
| Manufacturing Output Prices, 2010=100*                                                                  | 0.4    | 3.2  | 3.5  |       |       |       |       |         |
| Average Weekly Earnings, Whole Economy, Total Pay*                                                      | 2.4    | 2.7  | 4.0  |       |       |       |       |         |
| Unemployment Rate (Labour Force Survey measure)                                                         | 4.9    | 4.5  | 4.6  |       |       |       |       |         |
| Current Account, £bn                                                                                    | -115.5 | -70  | -50  | -35.0 | -30.0 | -25.0 | -25.0 | -25.0   |
| Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn) | 45.1   | 50   | 60   |       |       |       |       |         |

**INTEREST RATE FORECASTS**

|                                                        | Latest | End Jan '18 | End Oct '18 | 2019 | End Period, % 2020 | 2021 | 2022 | (average) 2023-27 |
|--------------------------------------------------------|--------|-------------|-------------|------|--------------------|------|------|-------------------|
| 3 month Interbank Interest Rate, %                     | 0.3    | 0.5         | 0.6         | 1.4  | 2.3                | 2.5  | 2.5  | 2.5               |
| Yield on Benchmark 10 Year Gilts (1.25%, July 2027), % | 1.4    | 1.7         | 2.1         | 2.7  | 3.6                | 3.4  | 3.0  | 3.0               |

**EXCHANGE RATES AND OIL PRICES**

|                              | Latest | End Nov '17 | End Jan '18 | End Oct '18 | End Oct '19 |
|------------------------------|--------|-------------|-------------|-------------|-------------|
| Japanese Yen/US Dollar       | 112.7  | 113.0       | 116.0       | 118.0       | 120.0       |
| US Dollars/Euro              | 1.174  | 1.200       | 1.200       | 1.220       | 1.250       |
| US Dollars/UK Pound          | 1.327  | 1.320       | 1.320       | 1.340       | 1.370       |
| Canadian Dollars/US Dollar   | 1.250  | 1.230       | 1.220       | 1.210       | 1.200       |
| Oil Price, BRENT - US \$/bbl | 58.6   | na          | 55.0        | 60.0        | na          |

**MONETARY POLICY EVALUATION**

What probability do you attach to a Bank of England repo rate change at or before the November 2, 2017 meeting?

|          |           |          |       |
|----------|-----------|----------|-------|
| INCREASE | NO CHANGE | DECREASE | Total |
| 50.0     | 50.0      |          | 100%  |

And what, if any, CHANGES in rates do you expect?

|          |    |          |
|----------|----|----------|
| INCREASE | OR | DECREASE |
| 0.25     |    |          |

Where do you estimate the Official Bank rate (currently 0.25%) will be at the end of the next 4 quarters?

|                     | Dec 31, 2017 | Mar 31, 2018 | June 30, 2018 | Sep 30, 2018 |
|---------------------|--------------|--------------|---------------|--------------|
| Official Bank rate: | 0.50         | 0.8          | 0.8           | 1.0          |

Please comment on your forecasts by adding a message into the body of your e-mail