

**UNITED KINGDOM - ECONOMIC SURVEY - JANUARY 2018**



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**ECONOMIC FORECASTS (CALENDAR YEAR BASIS)**

**DEADLINE**

January 8

**SPECIAL QUESTION 1 - LONG-TERM FORECASTS**

(average)

\*(average % change on previous CALENDAR year)

	2017	2018	2019	2020	2021	2022	2023	2024-28
Gross Domestic Product, Chained 2012 Prices*	1.7	1.0	0.7	1.5	2.2	2.4	2.2	2.2
Household Final Consumption Expenditure, Chained 2012 prices*	1.4	0.5	0.4	0.5	1.5	1.7	1.5	1.5
Gross Fixed Capital Formation, Chained 2012 prices*	3.0	1.7	1.3	1.5	2.0	2.0	2.0	2.0
Private Non-Financial Corps Trading Profits (excluding North Sea)*	4.0	0.0	-5.0					
Manufacturing Production, 2013=100*	2.0	0.5	-0.3	0.7	1.2	1.4	1.4	1.4
Retail Price Index, "underlying (ex-MIPs)" or RPI-X, January 13, 1987=100*	3.5	3.6	4.0	4.5	4.5	4.0	3.5	3.5
Consumer Prices Index (Previously HICP), 2015 = 100*	2.5	3.0	3.5	4.0	4.0	3.5	3.0	3.0
Manufacturing Output Prices, 2010=100*	3.4	3.6	3.7					
Average Weekly Earnings, Whole Economy, Total Pay*	2.2	3.2	3.5					
Unemployment Rate (Labour Force Survey measure)	4.4	4.6	4.8					
Current Account, £bn	-70	-50	-35.0	-30.0	-25.0	-25.0	-25.0	-25.0

FY17/18 FY18/19 FY19/20

Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)

50	60	60
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**INTEREST RATE FORECASTS**

	Latest	End Apr '18	End Jan '19	2020	2021	2022	2023	2024-28
3 month Interbank Interest Rate, %	0.5	0.5	1.0	1.4	2.3	2.5	2.5	2.5
Yield on Benchmark 10 Year Gilts (1.25%, July 2027), %	1.2	1.7	2.1	2.7	3.6	3.4	3.0	3.0

**EXCHANGE RATES AND OIL PRICES**

	Latest	End Feb '18	End Apr '18	End Jan '19	End Jan '20
Japanese Yen/US Dollar	112.7	113.0	115.0	115.0	115.0
US Dollars/Euro	1.201	1.200	1.220	1.240	1.250
US Dollars/UK Pound	1.353	1.350	1.320	1.300	1.300
Canadian Dollars/US Dollar	1.253	1.250	1.230	1.210	1.200
Oil Price, BRENT - US \$/bbl	64.6	na	65.0	60.0	na

**MONETARY POLICY EVALUATION**

What probability do you attach to a Bank of England repo rate change at or before the February 8, 2018 meeting?

INCREASE	10.0	+	NO CHANGE	90.0	+	DECREASE		=	Total	100%
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And what, if any, CHANGES in rates do you expect?

INCREASE	0.25	%	OR		%	DECREASE		%
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Where do you estimate the Official Bank rate (currently 0.50%) will be at the end of the next 4 quarters?

Official Bank rate:	0.5	%	0.50	%	0.75	%	1.00	%
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**SPECIAL QUESTION 2 (Answers Confidential) - Forecast Probabilities**

In addition to your forecasts above (presumably your most likely scenario), please indicate the likelihood of each of the listed variables falling within the following ranges by attaching a probability (e.g. 10%, 20% etc). (definitions as above)

	+0.1	+0.8	+1.5	+2.2	+2.9	< +0.1	to +0.7	to +1.4	to +2.1	to +2.8	to +3.5	> +3.5	Total	SUM
Real GDP in 2018 average % change from previous year	5.0	30.0	35.0	25.0	3.0	2.0	0.0	100%	100.0	%				
Consumer Prices in 2018 average % change from previous year	0.0	5.0	8.0	25.0	37.0	20.0	5.0	100%	100.0	%				
Oil Price, BRENT At end-Jan. 2019 US\$ per barrel	0.0	3.0	10.0	30.0	35.0	20.0	2.0	100%	100.0	%				
Euro rate } At end-Jan. 2019	0.0	4.0	20.0	35.0	33.0	8.0	0.0	100%	100.0	%				
Yen rate } vs. At end-Jan. 2019	0.0	5.0	30.0	40.0	25.0	0.0	0.0	100%	100.0	%				
UK£ rate } US\$ At end-Jan. 2019	0.0	17.0	30.0	32.0	16.0	5.0	0.0	100%	100.0	%				
C\$ rate } At end-Jan. 2019	1.0	12.0	31.0	33.0	20.0	3.0	0.0	100%	100.0	%				

< DEPRECIATION vs. US\$ > < APPRECIATION vs. US\$ >

% change from spot on survey date

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