

**UNITED KINGDOM - ECONOMIC SURVEY - MAY 2018**

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**ECONOMIC FORECASTS (CALENDAR YEAR BASIS)**      **DEADLINE**

May 14

*\*(average % change on previous CALENDAR year)*

	2017	2018	2019
Gross Domestic Product, Chained 2012 Prices*	1.8	1.1	0.7
Household Final Consumption Expenditure, Chained 2012 prices*	1.7	0.1	0.4
Gross Fixed Capital Formation, Chained 2012 prices*	4.0	2.3	0.8
Private Non-Financial Corps Trading Profits (excluding North Sea)*	2.6	5.0	2.0
Manufacturing Production, 2013=100*	2.5	2.0	1.0
Retail Price Index, "underlying (ex-MIPs)" or RPI-X, January 13, 1987=100*	3.8	3.6	4.0
Consumer Prices Index (Previously HICP), 2015 = 100*	2.7	3.0	3.5
Manufacturing Output Prices, 2010=100*	3.4	2.7	3.2
Average Weekly Earnings, Whole Economy, Total Pay*	2.3	3.2	3.5
Unemployment Rate (Labour Force Survey measure)	4.4	4.1	4.3
Current Account, £bn	-82.9	-50	-35.0
	FY17/18	FY18/19	FY19/20
Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)	42.6	60	60

  

**INTEREST RATE FORECASTS**

	Latest	End Aug '18	End May '19
3 month Interbank Interest Rate, %	0.7	0.75	1.0
Yield on Benchmark 10 Year Gilts (1.625%, Oct. 2028), %	1.4	1.7	2.1

  

**EXCHANGE RATES AND OIL PRICES**

	Latest	End Jun '18	End Aug '18	End May '19	End May '20
Japanese Yen/US Dollar	109.3	113.0	115.0	115.0	115.0
US Dollars/Euro	1.192	1.200	1.220	1.240	1.250
US Dollars/UK Pound	1.357	1.350	1.320	1.300	1.300
Canadian Dollars/US Dollar	1.286	1.250	1.230	1.210	1.200
Oil Price, BRENT - US \$/bbl	75.9	na	75.0	65.0	na

  

**MONETARY POLICY EVALUATION**

What probability do you attach to a Bank of England repo rate change at or before the **June 21, 2018** meeting?

INCREASE	+	NO CHANGE	+	DECREASE		Total
<input type="text" value="20.0"/>		<input type="text" value="80.0"/>		<input type="text"/>	=	<input type="text" value="100%"/>

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

INCREASE	%	OR	%	DECREASE	
<input type="text" value="0.25"/>				<input type="text"/>	

  

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

	June 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019
Official Bank rate:	<input type="text" value="0.50"/> %	<input type="text" value="0.75"/> %	<input type="text" value="0.75"/> %	<input type="text" value="1.0"/> %

  

**SPECIAL QUESTION (Answers Confidential) - Corporate Profits**

Please provide your additional estimates for corporate profitability (using the definition given below and measured as the percentage change on the previous year) for the calendar year period until 2023. Please indicate the major factors which are likely to affect profits over this period.

	2020	2021	2022	2023
Private Non-Financial Corporate Trading Profits (excl. North Sea), average % change on previous year (definition as above)	0.0	-3.0	-3.0	0.0

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