

## D Monitoring of Other Institutions' Forecasts

The Ministry of Finance of the Czech Republic monitors macroeconomic forecasts of other institutions engaged in forecasting future development of the Czech economy. Forecasts of 13 institutions are continuously monitored from publicly available data sources. Of these, eight institutions are domestic (CNB, Ministry of Labour and Social Affairs, domestic banks and investment companies) and others are foreign (European Commission, OECD, IMF etc.). The forecasts are summarised in the following table.

Sources of tables and graphs: Ministry of Finance's own calculations.

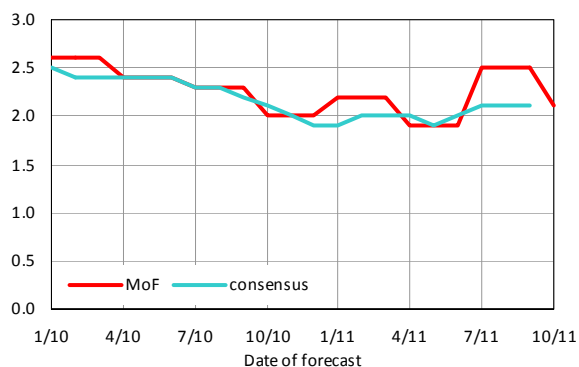
Table D.1: Consensus Forecast

		September 2011			October 2011
		min.	max.	consensus	MoF forecast
Gross domestic product (2011)	growth in %, const.pr.	1.8	2.4	2.1	2.1
Gross domestic product (2012)	growth in %, const.pr.	1.1	3.5	2.2	1.0
Average inflation rate (2011)	%	1.8	2.3	2.0	1.9
Average inflation rate (2012)	%	2.0	3.4	2.9	3.2
Average monthly wage (2011)	growth in %	2.2	2.8	2.5	2.2
Average monthly wage (2012)	growth in %	3.2	4.4	3.8	2.7
Current account / GDP (2011)	%	-3.7	-2.4	-3.2	-3.1
Current account / GDP (2012)	%	-4.1	-1.5	-3.1	-3.3

Estimates of **GDP** growth for 2011 have long fluctuated around 2%. Institutions whose prognoses are followed on average expect that the Czech economic growth this year and the next will only slightly exceed 2%. The Ministry of Finance forecast for 2011 is consistent with the average of other institutions' prognoses, while for 2012 it is significantly more pessimistic since it already takes into account current data from the real economy and the escalation of problems in the euro zone.

Monitored institutions anticipate the **average rate of inflation** in this year to be 2.0%. For 2012, the average rate of inflation is expected to rise to 3% as a result of the impacts of changes in indirect taxes. The Ministry's forecast concurs with these other institutions' predictions.

Graph D.1: Forecast of Real GDP Growth for 2011  
in %



According to the monitored institutions' predictions, the **average wage** should increase by 2.5% in 2011 and this growth is expected to accelerate to 3.8% for 2012. The Ministry's forecast anticipates an increase in the average wage by 2.2% for this year, while wages are expected to increase by 2.7% in 2012. The difference for 2012 is due to differing expectations about economic development.

The **current account deficit of the balance of payments** should remain at a sustainable level. The Ministry's forecast differs only minimally from those of other institutions.

Graph D.2: Forecast of Average Inflation Rate for 2011  
in %

