

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 11 institutions are continuously monitored from publicly available data sources. Of these, six 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

		January 2013			January 2013
		min.	max.	consensus	MoF forecast
Gross domestic product (2013)	growth in %, const.pr.	-0.2	1.0	0.5	0.1
Gross domestic product (2014)	growth in %, const.pr.	1.4	3.4	2.1	1.4
Average inflation rate (2013)	%	1.9	2.5	2.2	2.1
Average inflation rate (2014)	%	0.9	2.3	1.7	1.8
Average monthly wage (2013)	growth in %	1.9	2.8	2.4	2.0
Average monthly wage (2014)	growth in %	1.6	3.5	2.5	3.6
Current account / GDP (2013)	%	-2.2	-0.5	-1.5	-1.3
Current account / GDP (2014)	%	-2.1	0.0	-1.4	-1.2

Forecasts of the monitored institutions on average envisage a mild recovery of the Czech economy. GDP could increase by 0.5% this year; growth should subsequently accelerate to 2.1% in 2014. The forecast of the MoF is more conservative for both years.

Consumer price growth should slow down. The monitored institutions anticipate an average inflation rate for 2013 and 2014 of 2.2% or 1.7%, respectively. The forecast of the MoF is in line with both estimates.

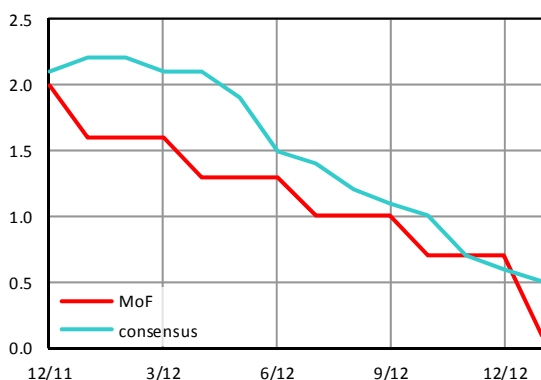
According to the forecasts of the monitored institutions, the average wage should increase approx. by 2.5% in both 2013 and 2014. The forecast of the

MoF for 2013 is more conservative, however, it anticipates a quicker growth in terms of the average wage for 2014. Different assumptions on the fiscal consolidation trajectory and taking into consideration the approved tax modifications in 2014 perhaps provides an explanation for the different opinion of the MoF.

According to the monitored institutions, the current account deficit on the balance of payments should be around 1.5% of GDP both in 2013 and 2014, thus remaining on a sustainable level, posing no risks of macroeconomic imbalances. The forecast of the MoF is in line with those of the other institutions.

Graph D.1: Forecast of Real GDP Growth for 2013

in %; the horizontal axis shows the month, in which the monitoring was conducted



Graph D.2: Forecast of Average Inflation Rate for 2013

in %; the horizontal axis shows the month, in which the monitoring was conducted

