

## 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

		October 2013			October 2013
		min.	max.	consensus	MoF forecast
Gross domestic product (2013)	growth in %, const.pr.	-1.5	-0.4	-0.8	-1.0
Gross domestic product (2014)	growth in %, const.pr.	1.3	2.1	1.7	1.3
Average inflation rate (2013)	%	1.4	1.8	1.6	1.4
Average inflation rate (2014)	%	1.2	1.8	1.4	0.7
Average monthly wage (2013)	growth in %	0.4	1.2	0.9	0.9
Average monthly wage (2014)	growth in %	2.2	2.6	2.4	2.3
Current account / GDP (2013)	%	-3.0	-0.6	-1.5	-1.7
Current account / GDP (2014)	%	-2.9	-0.5	-1.3	-1.4

Source: forecasts of individual institutions, own calculations

On average, the forecasts of the monitored institutions envisage economic recovery in 2014 and 2015. GDP could increase by 1.7% in 2014, in the following year growth could accelerate to 2.3%. The MoF's forecast is slightly more conservative for both aforementioned years.

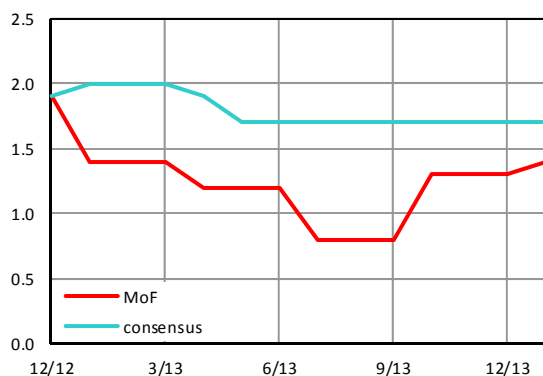
According to the average of institutions' estimates, consumer price growth is expected to slow down to 1.2% in 2014 and accelerate slightly to 1.8% in 2015. The MoF's forecast, already taking into account the impact of the CNB's foreign exchange interventions, envisages an average inflation rate of 1.0% in 2014 and 2.4% in 2015.

According to the forecasts of the monitored institutions, and the average wage should increase by 2.3% in 2014 and by 3.0% in 2015. The MoF's forecast envisages an increase in the average wage of 4.2% in 2015, since it takes into account the reform of direct taxes and payments that is to come into effect in the given year.

On the basis of the opinion of the monitored institutions, the current account deficit of the balance of payments should be around 1.3% of GDP in 2014 and 2015. Thanks to the expected favourable development of the foreign trade balance, the MoF expects the current account of the balance of payments to be nearly balanced.

Graph D.1: Forecast of Real GDP Growth for 2014

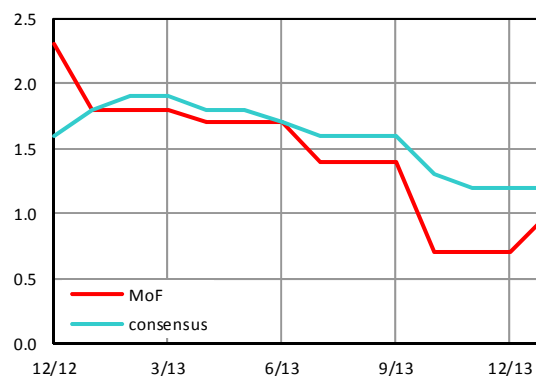
in %; the horizontal axis shows the month, in which the monitoring was conducted



Source: forecasts of individual institutions, own calculations

Graph D.2: Forecast of Average Inflation Rate for 2014

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



Source: forecasts of individual institutions, own calculations