

## 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

		June 2013			July 2013
		min.	max.	consensus	MoF forecast
Gross domestic product (2013)	growth in %, const.pr.	-1.0	0.7	-0.4	-1.5
Gross domestic product (2014)	growth in %, const.pr.	1.3	2.8	1.7	0.8
Average inflation rate (2013)	%	1.5	2.3	1.8	1.6
Average inflation rate (2014)	%	1.3	2.0	1.7	1.4
Average monthly wage (2013)	growth in %	0.5	2.1	1.2	0.8
Average monthly wage (2014)	growth in %	2.3	3.3	2.9	2.3
Current account / GDP (2013)	%	-3.0	-1.2	-2.1	-2.3
Current account / GDP (2014)	%	-2.9	-0.5	-1.8	-2.4

Forecasts of the monitored institutions predict on average a decrease in GDP in 2013 by 0.4%. Nevertheless, they are already envisaging economic growth of 1.7% in 2014. In 2013, a significant variance between the MoF's forecast and that of the average of forecasts is given by the fact that some included forecasts were published prior to publication of the quarterly national accounts for Q1 2013. In any case, the MoF's forecast can be considered conservative.

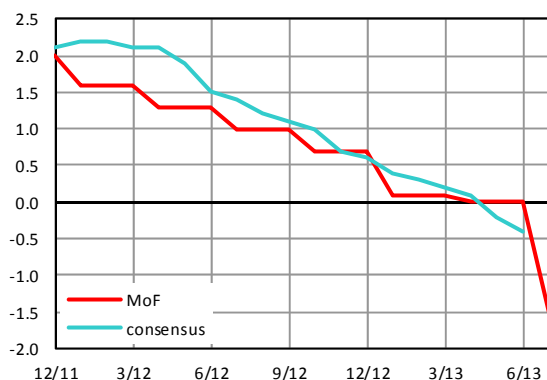
Consumer price growth is expected to slow down slightly. In 2013 and 2014, the monitored institutions expect an inflation rate of 1.8% or 1.7%, respectively. The forecast of the MoF is in line with these estimates.

According to the forecasts of the monitored institutions, the average wage should increase by 1.2% this year and by 2.9% in 2014. The MoF's forecast is more conservative; the lower increase in the average wage is down to the expected worse economic output.

According to the opinion of the monitored institutions, the current account deficit of the balance of payments should be around 2% of GDP in 2013 and 2014. Also according to the MoF's forecast, the current account deficit of the balance of payments should remain at a sustainable level, posing no risk in terms of macroeconomic imbalances.

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

