

## 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

		December 2010			January 2011
		min.	max.	consensus	forecast MoF
Gross domestic product (2011)	growth in %, const.pr.	1,2	2,8	1,9	2,2
Gross domestic product (2012)	growth in %, const.pr.	2,3	3,3	2,8	2,7
Average inflation rate (2011)	%	1,9	2,7	2,1	2,3
Average inflation rate (2012)	%	1,7	2,3	2,1	2,4
Average monthly wage (2011)	growth in %	1,5	3,0	2,4	2,9
Average monthly wage (2012)	growth in %	3,5	4,5	3,9	4,1
Current account / GDP (2011)	%	-2,7	-0,6	-1,6	-2,5
Current account / GDP (2012)	%	-3,3	-0,5	-1,7	-2,9

Estimates of **GDP** growth for 2011 show a slight trend toward downward adjustments from the middle of last year. Institutions whose prognoses are followed expect an average increase in the Czech economy's output by 1.9% in 2011. For 2012, they expect GDP growth to accelerate to 2.8%. The Ministry of Finance forecast is in accordance with this trend.

Current forecasts are for the **average rate of inflation** in this and next year to be around 2.1%. The Ministry of Finance expects slightly faster growth in consumer prices.

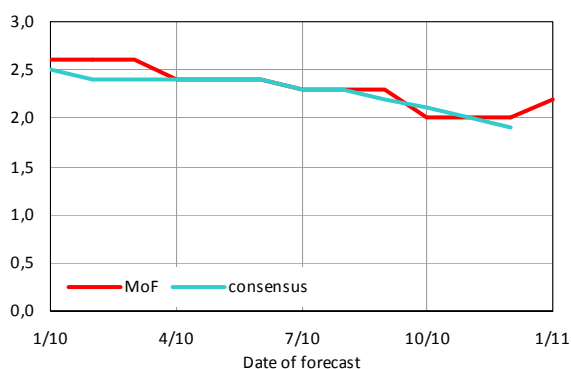
According to the monitored institutions' forecasts, the **average wage** should increase by 2.4% in 2011, and acceleration to 3.9% is expected for 2012. The Ministry of Finance prognosis is in accordance with this trend,

although it anticipates a faster rate of increase for the average wage this year.

The **current account deficit of the balance of payments** should remain at a sustainable level. The institutions expect a deficit equal to 1.6% of GDP for 2011, and for 2012 a slight increase of the current account deficit to 1.7% of GDP is expected. The Ministry of Finance forecasts deeper current account deficits, but these should not exceed 3% of GDP.

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

in %



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

in %

