

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 2011			January 2012
		min.	max.	consensus	MoF forecast
Gross domestic product (2012)	growth in %, const.pr.	-0.4	1.8	0.8	0.2
Gross domestic product (2013)	growth in %, const.pr.	1.4	3.0	2.1	1.6
Average inflation rate (2012)	%	2.0	3.4	2.7	3.2
Average inflation rate (2013)	%	1.1	2.4	1.8	1.5
Average monthly wage (2012)	growth in %	2.5	3.8	3.0	2.0
Average monthly wage (2013)	growth in %	2.0	4.5	3.5	2.7
Current account / GDP (2012)	%	-3.8	-1.1	-3.1	-1.6
Current account / GDP (2013)	%	-4.2	-1.6	-3.0	-1.7

The monitored institutions estimate that growth of the Czech economy will continue to be moderate in 2012, but they do not rule out even no growth or a slight decline. In 2013, there should occur gradual recovery. The institutions expect **GDP** growth for 2012 of 0.8% and of 2.1% in the following year. The Ministry of Finance forecast is slightly more pessimistic in both instances, as it takes into account the current data, growing problems in the euro zone, and the continuing anxiety on European financial markets.

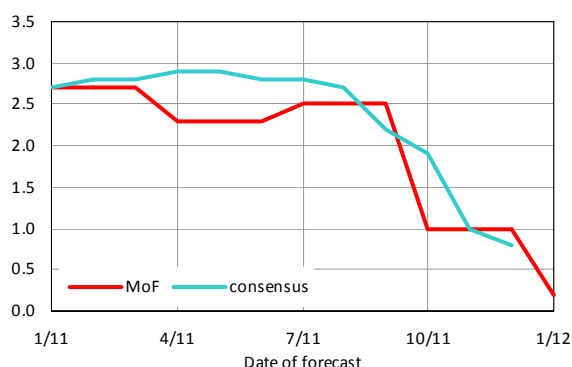
Due to the impacts of changes in indirect taxes, the institutions expect the **average inflation rate** to increase to 2.7% for 2012, and it should decline to 1.8% in the following year. The MoF forecast is in line with those of the other institutions.

The **average wage** should, according to the monitored institutions' forecasts, rise by 3.0% in 2012, and in 2013, in connection with the expected recovery of the economy, that growth is expected to accelerate to 3.5%. The MoF forecast is more pessimistic for both years, reflecting the current signals from the business sector and the known intentions and decisions regarding public sector wages for the coming years.

The **current account deficit of the balance of payments** should remain at a sustainable level. The aforementioned institutions estimate it at around 3% for both years. The MoF forecast is among the more optimistic ones, due mainly to the presumed more significant slowdown in imports of goods and services in comparison with the growth rate for exports.

Graph D.1: Forecast of Real GDP Growth for 2012

in %



Graph D.2: Forecast of Average Inflation Rate for 2012

in %

