

## 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

		March 2012			April 2012
		min.	max.	consensus	MoF forecast
Gross domestic product (2012)	growth in %, const.pr.	-1.2	1.8	0.3	0.2
Gross domestic product (2013)	growth in %, const.pr.	1.2	3.3	2.1	1.3
Average inflation rate (2012)	%	2.0	3.3	2.9	3.3
Average inflation rate (2013)	%	0.9	2.4	1.7	2.3
Average monthly wage (2012)	growth in %	2.2	2.8	2.5	2.0
Average monthly wage (2013)	growth in %	2.6	4.5	3.3	2.6
Current account / GDP (2012)	%	-3.7	-1.1	-2.6	-2.4
Current account / GDP (2013)	%	-4.2	-1.1	-2.5	-2.3

According to the monitored institutions' expectations, this year will be a period of stagnation for the Czech economy, as **real GDP** should increase by only 0.3%. The institutions expect a modest recovery and increase in economic output by 2.1% in the following year. The Ministry of Finance forecast corresponds with these other institutions' consensus estimate for 2012. It is slightly more pessimistic for 2013, however, as it takes into account the current data and newly prepared fiscal measures.

Due to impacts from changes in indirect taxes, the monitored institutions expect the **average inflation rate** to rise to 2.9% for 2012 but to drop to 1.7% next year. The Ministry's forecast anticipates a slightly higher average inflation rate, as it already takes into

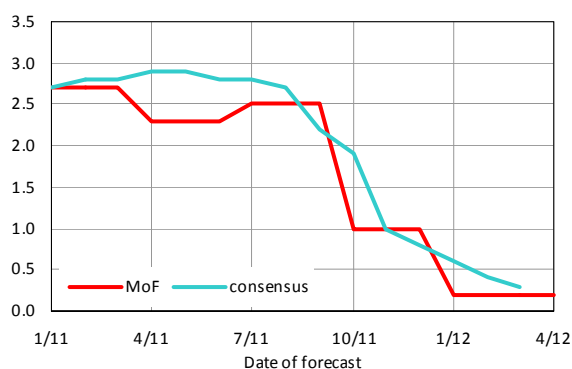
account new proposed adjustments to indirect taxes in 2013 (see Chapter C.2).

According to the monitored institutions' forecasts, the **average wage** should rise by 2.5% in 2012, and in 2013, in connection with the economy's expected recovery, that growth is expected to accelerate to 3.3%. The Ministry's forecast is slightly 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 months.

The **current account deficit of the balance of payments** should remain at a sustainable level. The monitored institutions estimate it to be around 2.5% of GDP for both years, which corresponds to the Ministry's forecast.

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

in %



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

in %

