

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 2012			October 2012
		min.	max.	consensus	MoF forecast
Gross domestic product (2012)	growth in %, const.pr.	-1.0	0.0	-0.7	-1.0
Gross domestic product (2013)	growth in %, const.pr.	0.4	1.7	1.0	0.7
Average inflation rate (2012)	%	3.2	3.9	3.4	3.3
Average inflation rate (2013)	%	1.9	2.7	2.3	2.1
Average monthly wage (2012)	growth in %	2.4	3.1	2.7	2.0
Average monthly wage (2013)	growth in %	2.1	3.3	2.9	2.1
Current account / GDP (2012)	%	-4.7	-0.2	-2.1	-1.3
Current account / GDP (2013)	%	-3.2	-0.4	-1.8	-1.2

According to the monitored institutions, GDP could decrease by 0.7% in the current shallow recession. Nevertheless, all institutions expect moderate recovery with average GDP growth of 1.0% already for the following year. The Ministry's forecast is slightly more conservative for both years.

Due to impacts from the increase in indirect taxes, the monitored institutions expect the average inflation rate to rise to 3.4% for 2012. For the following year, however, these institutions anticipate a slowdown in consumer prices growth to 2.3%. The Ministry's forecast is in accordance with both estimates.

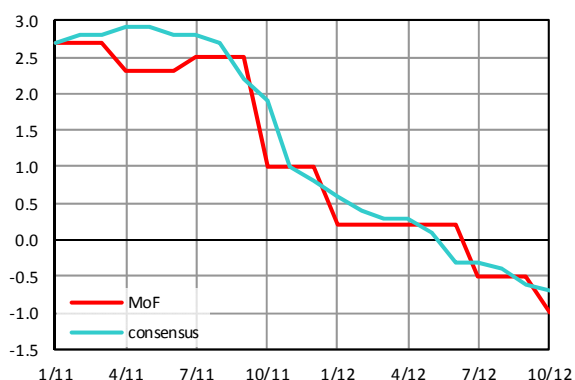
According to the monitored institutions' forecasts, the average wage should rise by 2.7% in 2012 while in

2013, in connection with the economy's expected recovery, growth is expected to accelerate moderately to 2.9%. The Ministry's forecast is more conservative for both years.

According to the monitored institutions, the current account deficit in the balance of payments should be around 2.0% of GDP in 2012 and 2013, thus remaining at a sustainable level. The Ministry's forecast expects that the current account deficit will decrease more markedly in comparison with 2011. Due to a rising surplus in the balance of goods and services and decrease in the incomes deficit, the current account deficit could slightly exceed 1% of GDP in 2012 and 2013.

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

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



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

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

