

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, Organisation for Economic Co-operation and Development, 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 2014			July 2014
		min.	max.	consensus	MoF forecast
Gross domestic product (2014)	growth in %, const.pr.	1.2	2.8	2.2	2.7
Gross domestic product (2015)	growth in %, const.pr.	2.0	3.3	2.6	2.5
Average inflation rate (2014)	%	0.1	1.3	0.9	0.6
Average inflation rate (2015)	%	1.8	2.4	2.1	1.7
Average monthly wage (2014)	growth in %	2.3	3.0	2.6	2.7
Average monthly wage (2015)	growth in %	2.4	4.3	3.5	3.6
Current account / GDP (2014)	%	-1.5	0.4	-0.6	0.4
Current account / GDP (2015)	%	-1.4	0.5	-0.7	0.0

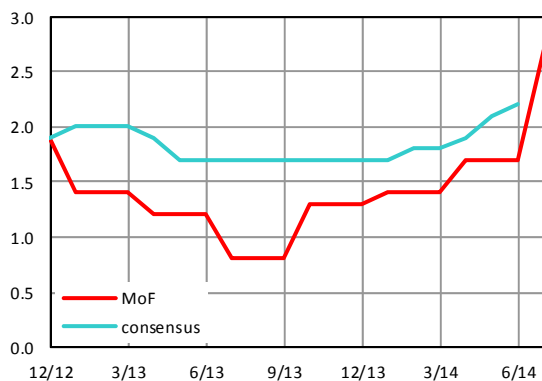
Source: forecasts of individual institutions, own calculations

On average, forecasts of the monitored institutions envisage economic recovery in 2014 and 2015. GDP growth could reach 2.2% in 2014 and 2.6% in the next year. The MoF's forecast, which expects growth of 2.7% in 2014, can nevertheless be considered as rather conservative, as it is already based on the data from the quarterly national accounts for the first quarter of 2014.

According to the forecasts of the monitored institutions, the year 2014 should be characterized by very low average inflation rate, which should not exceed 1%. In 2015, consumer price growth should accelerate to 2.1%. The MoF's forecast expects a slightly slower growth of consumer prices in both the aforementioned years.

Graph D.1: Forecast of Real GDP Growth for 2014

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



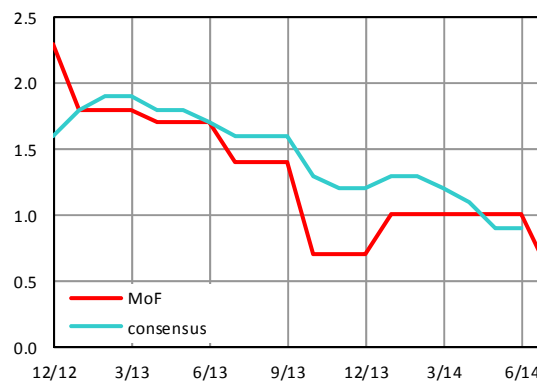
Source: forecasts of individual institutions, own calculations

According to the forecasts of the monitored institutions, the average nominal wage should increase by 2.6% in 2014 and 3.5% in 2015, respectively. The average real wage should therefore again rise, after two years of decline. The forecast of the MoF is in line with both estimates.

According to the opinion of the monitored institutions, the deficit on the current account of the balance of payments should be around 0.6% of GDP in 2014 and 2015. According to the MoF's forecast, the current account of the balance of payments should see a slight surplus in 2014 for the first time since 1993, mainly due to the favourable development of the balance of goods and services. For 2015, the MoF in its forecast expects a balanced current account.

Graph D.2: Forecast of Average Inflation Rate for 2014

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



Source: forecasts of individual institutions, own calculations