

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

		June 2012			July 2012
		min.	max.	consensus	MoF forecast
Gross domestic product (2012)	growth in %, const.pr.	-0.8	0.5	-0.2	-0.5
Gross domestic product (2013)	growth in %, const.pr.	0.9	2.4	1.6	1.0
Average inflation rate (2012)	%	2.9	3.9	3.4	3.2
Average inflation rate (2013)	%	1.5	2.4	2.1	2.2
Average monthly wage (2012)	growth in %	2.4	3.1	2.7	2.4
Average monthly wage (2013)	growth in %	3.0	3.5	3.3	2.4
Current account / GDP (2012)	%	-3.2	-0.2	-2.1	-2.2
Current account / GDP (2013)	%	-3.2	-1.0	-2.1	-2.6

According to the monitored institutions' expectations, the Czech Republic should experience a shallow recession in 2012, as real GDP should slip by 0.2% for the year as a whole. These institutions expect moderate recovery and growth in real GDP of 1.6% already for the following year. The Ministry's forecast is 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 2.1%. The Ministry's forecast is in accordance with both estimates.

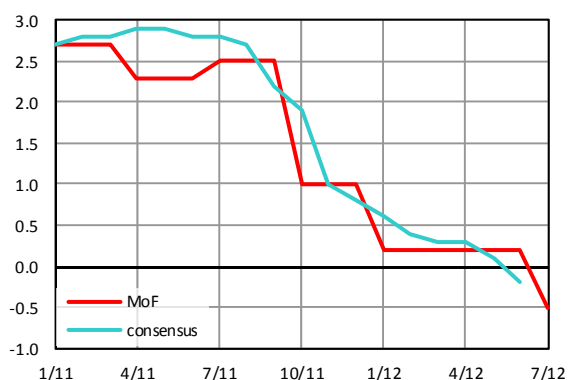
According to the monitored institutions' forecasts, the average wage should rise by 2.7% in 2012 while in

2013, in connection with the economy's expected recovery, growth is expected to accelerate to 3.3%. The Ministry's forecast for 2012 does not differ greatly from the average of the monitored institutions' forecasts, but its expectations for the speed of economic recovery and the trajectory of fiscal consolidation provide a distinctly different view on development in 2013.

According to the monitored institutions, the current account deficit in the balance of payments should be around 2.1% of GDP, thus remaining at a sustainable level. The Ministry's forecast fully corresponds with that view.

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

