

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 2013			October 2013
			min.	max.	consensus	MoF forecast
Gross domestic product (2013)	growth in %, const.pr.		-1.5	-0.4	-0.8	-1.0
Gross domestic product (2014)	growth in %, const.pr.		1.3	2.1	1.7	1.3
Average inflation rate (2013)	%		1.4	1.8	1.6	1.4
Average inflation rate (2014)	%		1.2	1.8	1.4	0.7
Average monthly wage (2013)	growth in %		0.4	1.2	0.9	0.9
Average monthly wage (2014)	growth in %		2.2	2.6	2.4	2.3
Current account / GDP (2013)	%		-3.0	-0.6	-1.5	-1.7
Current account / GDP (2014)	%		-2.9	-0.5	-1.3	-1.4

Forecasts of the monitored institutions predict on average a decrease in GDP in 2013 of 0.8%. Nonetheless, they are already envisaging economic growth of 1.7% in 2014. The MoF's forecast is slightly more conservative for both aforementioned years.

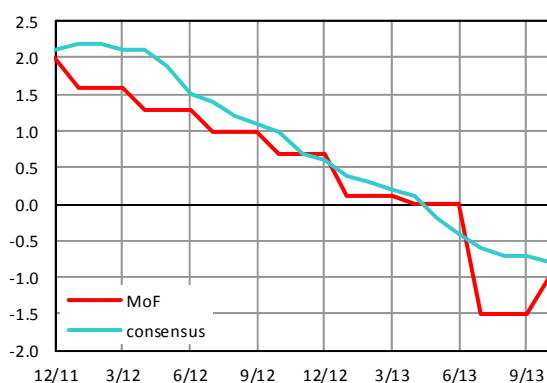
According to the average of the forecasts of monitored institutions, consumer prices growth is expected to be around 1.5% in 2013 and 2014. In contrast, the MoF envisages a considerably lower average inflation rate in 2014. This variance is probably largely caused by different assumptions for the development of electricity prices in 2014 (see Chapter C.2).

According to the forecasts of the monitored institutions, in 2013 and 2014 the average wage should increase by 0.9% and 2.4%, respectively. The forecast of the MoF is in line with both estimates.

According to the opinion of the monitored institutions, the current account deficit of the balance of payments should be around 1.4% of GDP in 2013 and 2014. Also according to the MoF's forecast, the current account deficit of the balance of payments should remain at a sustainable level, posing no risk in terms of macroeconomic imbalances.

Graph D.1: Forecast of Real GDP Growth for 2013

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



Graph D.2: Forecast of Average Inflation Rate for 2013

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

