

Box 8

FORECASTS BY OTHER INSTITUTIONS

A number of forecasts for the euro area are available from both international organisations and private sector institutions. However, these forecasts are not strictly comparable with one another or with the Eurosystem staff macroeconomic projections, as they were finalised at different points in time and are therefore partly outdated. Additionally, they use different (partly unspecified) methods to derive assumptions for fiscal, financial and external variables, including oil prices.

In the forecasts currently available from other institutions, euro area annual GDP growth averages between 1.2% and 1.4% in 2005, between 1.7% and 2.1% in 2006, and between 2.0% and 2.2% in 2007. At the same time, the forecasts anticipate annual average HICP inflation to be between 2.1% and 2.3% in 2005, between 1.8% and 2.2% in 2006, and between 1.6% and 1.9% in 2007. All of these rates fall within the ranges of the Eurosystem projections.

Comparison of forecasts for euro area real GDP growth and HICP inflation

(average annual percentage changes)

	Date of release	GDP growth			HICP inflation		
		2005	2006	2007	2005	2006	2007
European Commission	Oct. 2005	1.3	1.9	2.1	2.3	2.2	1.8
IMF	Sep. 2005	1.2	1.8	2.2	2.1	1.8	1.9
OECD	Nov. 2005	1.4	2.1	2.2	2.2	2.1	1.6
Consensus Economics Forecasts	Nov. 2005	1.3	1.7	n.a.	2.2	1.9	n.a.
Survey of Professional Forecasters	Oct. 2005	1.3	1.7	2.0	2.2	2.0	1.8

Sources: European Commission Economic Forecasts, Autumn 2005; IMF World Economic Outlook, September 2005; OECD Economic Outlook No 78; Consensus Economics Forecasts; and the ECB's Survey of Professional Forecasters. The Eurosystem staff macroeconomic projections and the OECD forecasts both report working-day-adjusted annual growth rates, whereas the European Commission and the IMF report annual growth rates that are not adjusted for the number of working days per annum. Other forecasts do not specify whether they report working-day-adjusted or non-working-day-adjusted data. For 2004, the non-working-day-adjusted average annual growth rate of euro area GDP was around ¼ percentage point higher than the working-day-adjusted growth rate, owing to the greater number of working days that year.