

Box 9

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. Additionally, they use different (partly unspecified) methods to derive assumptions for fiscal, financial and external variables, including oil and other commodity prices. Finally, there are differences in working-day adjustment methods across different forecasts (see the table below).

In the forecasts currently available from other institutions, euro area real GDP is expected to fall by between 3.4% and 4.2% in 2009. Growth is expected to range between -0.4% and 0.3% in 2010. While most of the forecasts fall within the ranges of the Eurosystem staff projections,

some of the forecasts are above the range for 2009. Among other things, this most likely reflects the fact that they were completed before the flash estimate for real GDP growth in the first quarter of 2009 was known. At the same time, for 2010, all forecasts fall within the range of the Eurosystem projections.

As regards inflation, available forecasts anticipate average annual HICP inflation to be between 0.4% and 0.6% in 2009, and between 0.6% and 1.3% in 2010. Most available forecasts for inflation are therefore broadly consistent with the ranges of the Eurosystem staff projections.

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

(average annual percentage changes)

	Date of release	GDP growth		HICP inflation	
		2009	2010	2009	2010
IMF	16 April 2009	-4.2	-0.4	0.4	0.6
European Commission	3 May 2009	-4.0	-0.1	0.4	1.2
Survey of Professional Forecasters	14 May 2009	-3.4	0.2	0.5	1.3
Consensus Economics Forecasts	15 May 2009	-3.7	0.3	0.4	1.2
OECD	31 March 2009	-4.1	-0.3	0.6	0.7
Eurosystem staff projections	4 June 2009	-5.1 – -4.1	-1.0 – 0.4	0.1 – 0.5	0.6 – 1.4

Sources: European Commission Economic Forecasts, Spring 2009; IMF World Economic Outlook, April 2009; OECD Interim Economic Outlook, March 2009; Consensus Economics Forecasts; and the ECB's Survey of Professional Forecasters.

Note: 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.