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A Post Mortem on OECD
Short-term Projections from
1982 to 1987

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by

B. Hallis

Economic Prospects Division

February 1989



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A Post Mortem on OECD Short-term Projections from 1982 to 1987

by

B. Ballis*

Economic Prospects Division

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This paper reviews the accuracy of OECD projections over the 1982-1987 period. It is shown that, although the evolution of the economic climate was correctly projected, projection errors for economic activity and inflation varied significantly both through the period under consideration and between countries. But the average absolute error in GNP over the entire 1982/87 period was less than 1 percentage point. The biggest errors were made in the first half of the period and were more important for the smaller countries. An attempt is made to assess the likely impact of differences between assumed and realised economic policies, energy prices and exchange rates on the size and direction of the projection errors.

L'étude présente examine la qualité des projections faites par l'OCDE de 1982 à 1987. Si le sens des évolutions a été correctement prévu, les erreurs de projection sur la croissance et l'inflation ont varié de façon significative à travers à la fois la période et les pays concernés. Mais l'erreur moyenne absolue de la projection sur la croissance pour toute la période 1982/87 a été inférieure à 1 pourcent. Les erreurs les plus importantes ont été faites pendant la première partie de la période en question et elles ont été plus marquées dans le cas des petits pays. L'étude examine l'incidence qu'ont pu avoir les écarts observés entre les hypothèses et les réalisations en matière de politique économique, de coût de l'énergie et de taux de changes sur, à la fois, l'importance et la direction des erreurs.

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Introduction

This paper reviews the accuracy of OECD projections published in the Economic Outlook, covering the period from 1982 to 1987. It represents an update of the previous post mortem undertaken by the OECD in 1984 (1). The accuracy of more recent projections (mid-1987 to mid-1988) was reviewed in detail in Economic Outlook 44, December 1988.

The scope of the study and specific procedures employed are discussed in Part I. Part II presents the differences between actual outcomes for each year from 1982 to 1987 and annual projections put forward by the OECD in December of the previous year. Specifically, it deals with GNP, domestic demand, inflation, the current account, unemployment and growth of export markets for all OECD countries.

Differences between projections and actual outcomes must be seen in light of the fact that the OECD does not attempt to put forward forecasts of the most likely outcome. Rather, the projections are conditioned on the assumptions that policies will remain unchanged and that nominal exchange rates and dollar-denominated oil prices will not change from their values on a base date just prior to the production of the projections (2). Different outcomes for these assumptions could therefore be a source of projection error. However, for reasons discussed in Part III, it is virtually impossible to determine what OECD projections would have been had they been conditioned on actual rather than assumed policies, exchange rates and oil prices. It is possible, however, to obtain model simulations of the impact on activity and inflation of the differences between the assumed and actual values of the exogenous factors on which these projections are based as a means of evaluating their relative importance. This is done in Part III.

Differences between projected and actual outcomes may also arise from within the projection process -- in particular when the behaviour of economic agents is not properly embedded in the projections. It is not always easy to pin down the precise source of this kind of error as it arises from within a simultaneous system in which the projections -- and the degree of forecasters' judgement brought to bear on the projections -- are jointly determined. As a consequence, only some "diagnostic" information relevant to the areas where errors were particularly important is presented in Part IV, specifically covering stockbuilding, household saving ratios, average earnings and non-OECD imports.

I. The Scope of the Post Mortem

This paper does not address several issues which have figured importantly in many earlier studies of economic forecasting accuracy, in particular comparisons with the work of other forecasters or with purely mechanical projection methods. Also, only a very limited number of diagnostic statistics are considered.

Comparisons between different forecasters are hampered, inter alia, by differences in the timing of the production of the forecasts, and differences

in the underlying technical assumptions. These aspects have been examined in detail in a number of studies -- most recently in IMF (1987) -- and it is generally concluded that no single forecaster or model is overwhelmingly superior to all others. For most of the period reviewed, errors tend to be shared with other forecasters and differences do not fall into systematic patterns. In specific periods, a majority of forecast errors are of a similar sign (3). This is hardly surprising as various forecasters use the same techniques and tend to share the same information.

A number of studies have tested the accuracy of a set of projections either by generating a battery of diagnostic statistics or by comparing them with naive or mechanical extrapolation (4). Adopting such an approach in respect of the OECD projections arguably loses sight of the purpose of these projections: to throw light on economic developments, interactions and linkages in a way which provides useful background to discussion of policy issues. Indeed, the accuracy of OECD projections needs to be judged on the basis of the policy recommendations suggested by the projections, i.e. projections must be evaluated on the basis of whether they gave the right signals to policy makers and provided them with early warning about undesirable developments. This aspect of the projection accuracy, although highly subjective, is extremely important. Exploring this kind of consideration is beyond the scope of the present study; considerable light was thrown on this issue in the recent OECD publication, Why Economic Policies Change Course, (OECD, 1988).

Time horizon. The present exercise begins in 1982, to provide some overlap with the previous OECD post mortem (Llewellyn and Arai, 1984) and covers the period to 1987, the last year for which actual outcomes are currently available. The exercise deals exclusively with annual data, which seems to be the most relevant to the policy decision-making process. As well, it avoids the vagaries present in higher-frequency data in many countries. The projection for any given year is that presented in the Economic Outlook of the December preceding that year.

Variable and country coverage. In selecting the variables to be covered by this exercise, it is attempted to strike a balance between excessive detail and a sufficient range of variables of interest to policy making. Variables covered are real GNP/GDP and domestic demand, inflation, the unemployment rate, the current account and the growth of export markets for manufactures. The study covers all OECD countries. Tables in this part give a summary of results for the seven largest countries; results for all countries (including additional information on the largest countries) are reported in the annexes.

Definition of outcome. The definition of the actual outcome for a given period in the past is by no means straightforward. Large successive revisions of national accounts, which often occur a considerable time after the publication of the first preliminary estimates, can make the definition of the "outcome" rather difficult and to some extent arbitrary. The data which is used here as actual values, are the outcomes recorded in the December issue of the Economic Outlook appearing one year after the period covered by the forecast, e.g. the 1982 "outcome" is that reported in the December, 1983, Outlook (5).

II. Projections vs. Actual Outcomes

Differences between OECD projections and actual outcomes are summarised in Charts A, B and C and in Tables 1 to 6, along with the average error (in absolute terms) and a statistic designed to identify tendencies towards either over- or under-prediction. The weighted contributions of the projection error for each major country to the error for the group as a whole are presented in Charts B (activity) and C (inflation).

While the OECD (along with many other forecasters) underestimated both the depth of the 1982 recession and the strength of the 1983-84 recovery, the projections did embody a halt to growth in 1982 and a subsequent significant recovery. Since then, activity projections for the seven largest countries as a group (and for total OECD) have been very close to the actual outcome. The average absolute error in GNP over the entire 1982/87 period was less than 1 percentage point. This outcome was broadly similar to the result found by Llewellyn and Arai (1984) for the period they investigated (1966 to 1982). The results for individual years also support another Llewellyn and Arai finding: that years in which the largest projection errors were made for the OECD area as a whole corresponded to years in which projections for individual countries tended to exhibit errors in the same direction. This pattern -- which can be seen in Chart B when the histogram is largely above or largely below the horizontal axis -- suggests that errors are exacerbated to some extent by the international transmission mechanisms through trade and other linkages.

Nonetheless, errors in the projection of the GNP growth of individual countries tended on average to exceed the average for the OECD area considered as a whole. While area-wide results show no consistent bias towards over- or under-estimation of GNP growth, results for individual countries do show some projection bias (see the last column of Table 1). The most striking case is that of the United Kingdom, where GNP growth has been consistently underestimated. The results suggest a less marked tendency to underestimate growth in the United States while overestimating that in Germany and Italy over the period. Nearly all of the significantly large overpredictions occurred in years when output grew at relatively low or decreasing rates and most of the large underestimations refer to years of particularly high real growth rates (see Annex tables for detail).

Further light can be thrown on differences between projections and actual outcomes of GNP by examining similar differences in domestic demand. It might be expected that the errors in domestic demand projections for an individual country would be offset to some extent by errors made in net trade, e.g. that an over-prediction of total domestic demand (TDD) would tend to be associated with an over-prediction of imports and therefore with a smaller error in GNP. However, in a system in which activity is being projected on a global basis, an overprediction of domestic demand in a large number of countries will necessarily lead to an overprediction of both exports and imports and therefore the overall GNP error may not be significantly different from that of total domestic demand. This appears to be born out here as the mean absolute error on TDD projections is similar to that of real GNP (Tables 1 and 2). The extent of the errors made in the projections of trade flows is reflected by the evaluation of growth of export markets for

Chart A

Projections and Outcomes for real and nominal output and inflation in the major 7 OECD countries
(percent change)

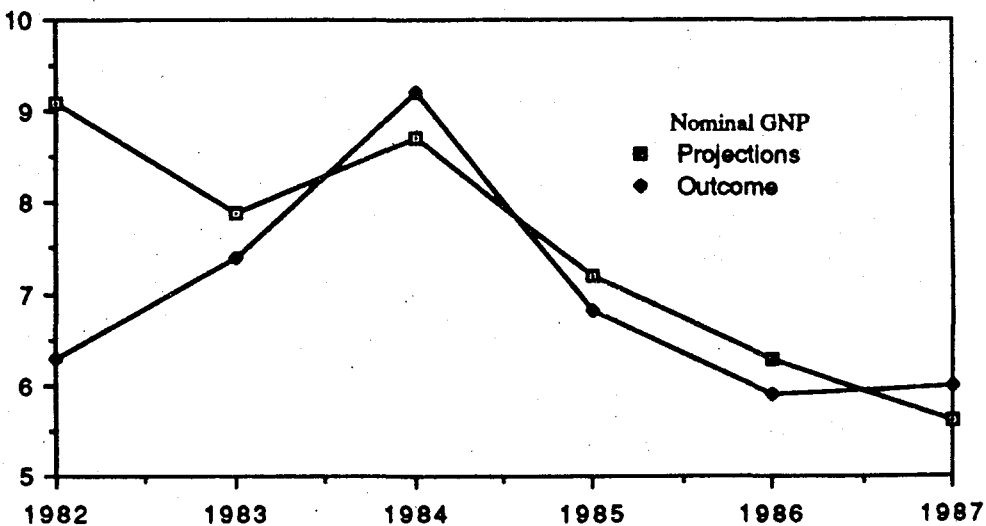
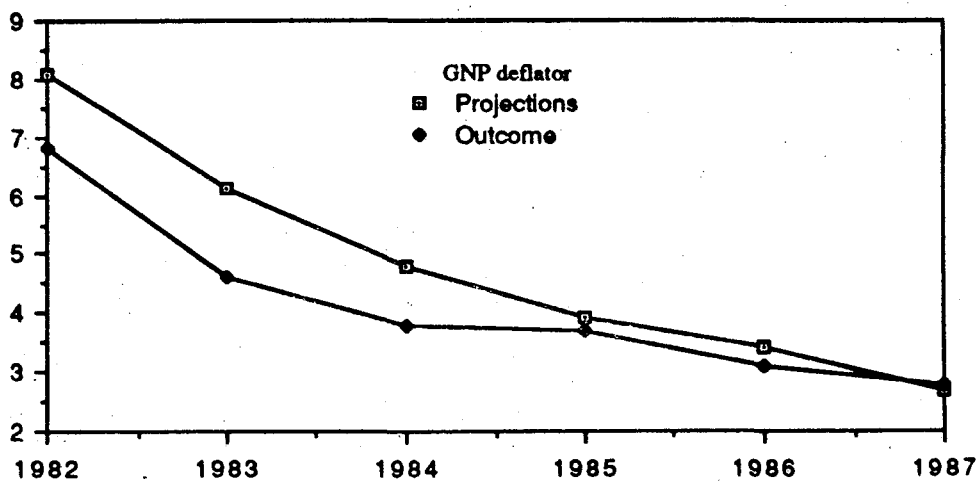
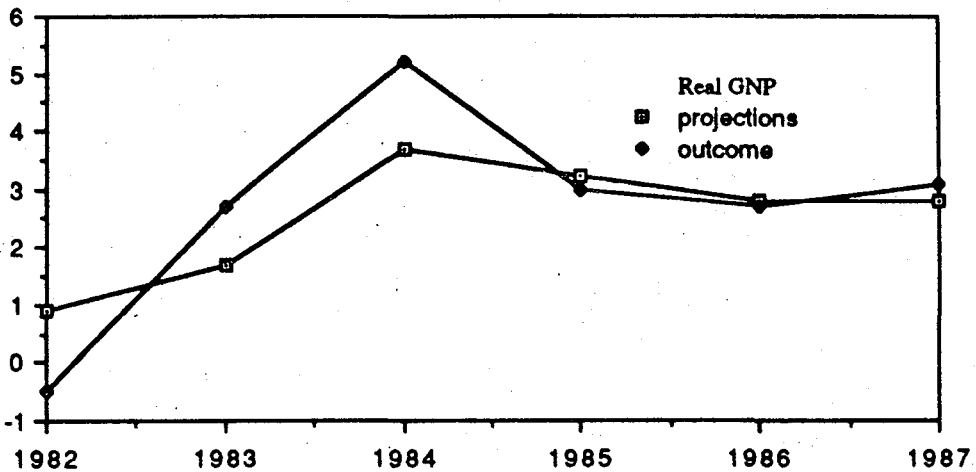
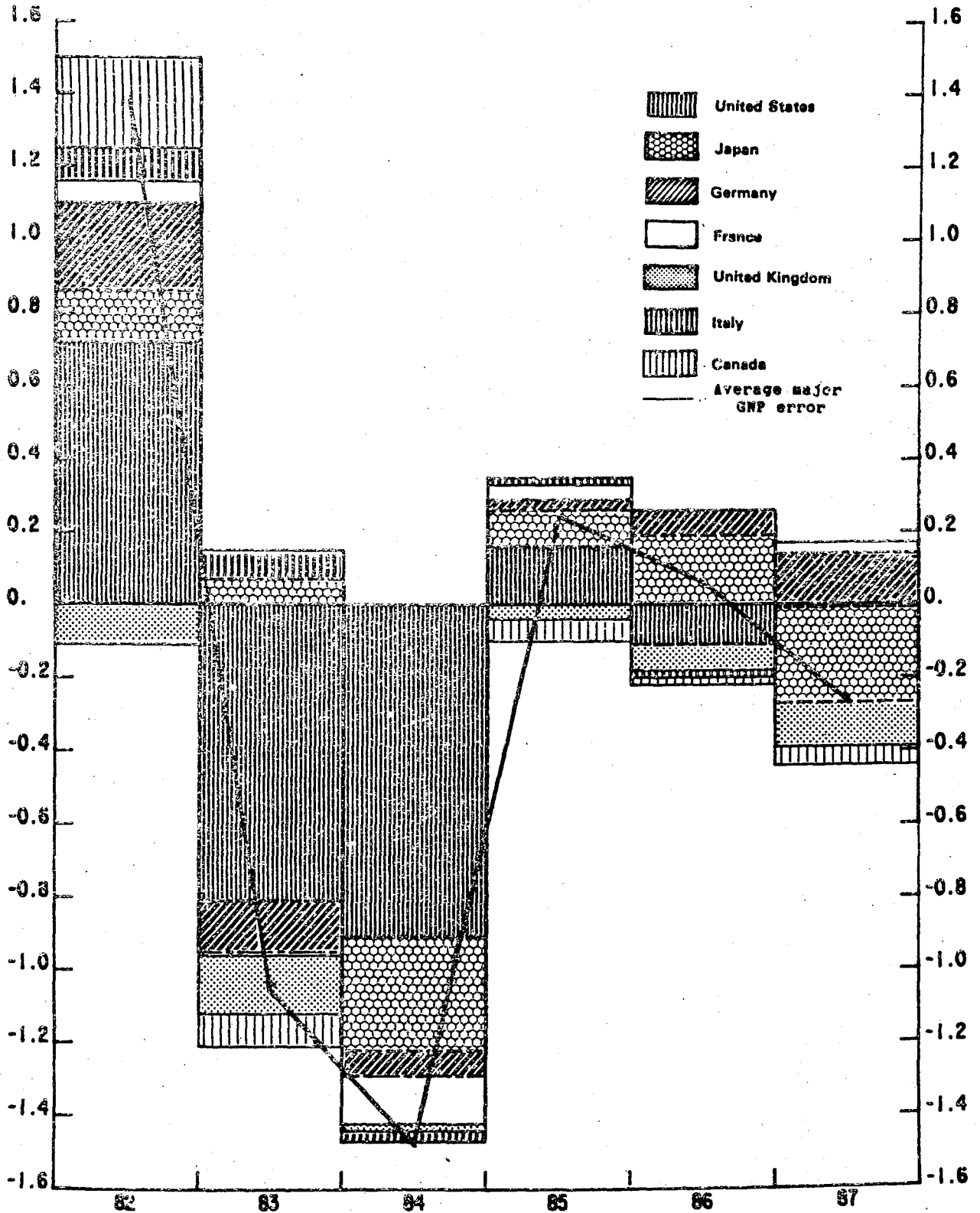


Chart B

**WEIGHTED CONTRIBUTIONS FROM COUNTRIES TO MAJOR 7
GNP ERROR**
Percentage points



manufactures (Table 3). In some years these errors were particularly significant (in the sense that in many cases they were much larger than the errors in GNP growth multiplied by an average import elasticity), contributing to substantial over- or under-projection of exports/imports. The largest errors were made in the first part of the period and were particularly large for the non-European countries.

While exchange and financial markets tend to be influenced by current account balances measured in dollar terms, many would argue that current balances as a percentage of GNP are more analytically meaningful. Differences between OECD projections and actual outcomes for current balances on this basis are presented in Table 4. Perhaps not surprisingly, projection errors tended to be offsetting among the seven largest countries with the average absolute error across the group (1/4 point) significantly smaller than the error on individual countries (about 1/2 point for the United States, Japan and France; 3/4 point for Germany and around 1 point for the others). The German surplus was consistently underestimated throughout the period; there appears to have been some tendency to project a United States position stronger than the actual outcome while there seems to have been little systematic bias in projections of Japan's current balance. In general, errors in the projections of the current account balances are not always consistent with errors in domestic demand and export markets suggesting significant errors in terms of trade.

Errors in the projections of inflation (GNP/GDP deflators) showed some peculiar dispersion. For the major seven OECD countries there has been a strong systematic tendency to over-estimate increases in the GNP deflator (Table 5). The maximum errors were experienced during the early 1980s when inflation decelerated sharply and the record improved thereafter (Table 5 and Charts A and C). However, for the smaller countries, there was a systematic tendency towards underestimation and the biggest errors were made rather in the second part of the period. Within the relatively low average absolute error for the seven largest countries as a group there have been larger -- but partially offsetting -- errors for individual countries. The differences between projections and outcomes were particularly marked for Japan and North America).

Another noteworthy feature of these results is the tendency for nominal output growth to be better predicted than real output and inflation (Chart A, panel III). With the exception of 1982, projection errors for nominal GNP were smaller than those made on real GNP and prices. Although it is difficult to assess with certainty whether there is a systematic long-term tendency for errors in these projections to offset each other, the appearance of this phenomenon over the period considered here is not counter-intuitive. For example, faster disinflation may lead to stronger real demand through wealth effects on private consumption, higher real government spending and higher private investment. If disinflation and stronger than expected demand are accompanied by higher profits (as was the case during the period under review) then production is enhanced by higher capacity utilisation and hence further capital accumulation.

Errors in the projections of unemployment rates in the OECD countries (Table 6) have been broadly in line with those on GNP: over-predictions of real activity have led to under-predictions of unemployment and vice-versa.

Table 1

Projections minus Outcome: Gross National Product

(Percentage points)

	1982	1983	1984	1985	1986	1987	MAE (a)	B (b)
United States	1.5	-1.7	-1.9	0.3	-0.2	0.0	1.0	-0.35
Japan	0.9	0.4	-1.9	0.6	1.2	-1.6	1.2	0.06
Germany	2.5	-1.5	-0.7	0.3	0.8	1.4	1.2	0.39
France (c)	0.7	-0.1	-1.6	0.5	0.1	0.3	0.6	-0.05
United Kingdom (c)	-1.5	-2.2	-0.3	-0.6	-0.9	-1.7	1.2	-1.00
Italy (c)	1.5	1.4	-0.5	0.3	-0.3	0.0	0.7	0.55
Canada (c)	5.4	-2.0	-0.1	-1.3	-0.4	-1.0	1.7	0.07
Major seven	1.4	-1.1	-1.5	0.2	0.1	-0.3	0.8	-0.26
Other OECD	1.2	-0.7	-1.0	-0.5	-0.4	-0.8	0.8	-0.48
Total OECD	1.4	-1.0	-1.4	0.1	0.0	-0.3	0.7	-0.29

(a) Mean Absolute Error.

(b) The balance statistic B was computed, as the sum of positive and negative errors divided by the number of the forecasts. This statistic indicates tendencies towards over or under-prediction and it takes values between -1 and +1 (the negative and positive signs indicating respectively under and over-prediction).

(c) GDP.

Table 2

Projections minus Outcome: Total Domestic Demand

(Percentage points)

	1982	1983	1984	1985	1986	1987	MAE (a)	B (b)
United States	1.1	-2.1	-2.9	0.3	-1.1	0.2	1.3	-0.58
Japan	-0.3	1.2	-1.0	0.8	-0.1	-1.5	0.8	-0.19
Germany	1.7	-2.3	-0.4	0.2	-0.7	1.5	1.1	0.01
France	-1.3	0.6	-1.5	-0.6	-1.5	-0.3	1.0	-0.79
United Kingdom	-1.6	-2.4	-0.2	0.1	-0.8	-0.9	1.0	-0.98
Italy	0.9	2.3	-0.7	0.1	-1.0	-0.6	0.9	0.19
Canada	7.9	-2.0	2.0	-2.1	-0.8	-2.7	2.9	0.13
Major seven	0.8	-1.1	-1.6	0.2	-0.9	-0.3	0.8	-0.60
Other OECD	0.7	-0.1	-0.9	-0.8	-2.0	-1.4	1.0	-0.77
Total OECD	0.8	-0.9	-1.5	0.0	-1.1	-0.4	0.8	-0.65

(a) (b) See footnotes to Table 1.

Table 3

Projections minus Outcome:
Market Growth for Exports of Manufactures

(Percentage points)

	1982	1983	1984	1985	1986	1987	MAE (a)	B (b)
United States	11.4	-1.8	-5.4	2.8	1.4	-3.2	4.3	0.20
Japan	7.5	-0.4	-6.0	3.6	1.9	-2.4	3.6	0.20
Germany	3.7	0.3	-5.3	0.8	-0.2	-3.2	2.2	-0.28
France	5.1	0.1	-4.1	1.4	0.9	-2.9	2.4	0.04
United Kingdom	4.9	1.5	-4.8	2.6	0.4	-3.3	2.9	0.08
Italy	4.5	1.1	-3.2	3.0	0.5	-2.6	2.5	0.22
Canada	7.1	-4.6	-12.2	2.2	-5.0	-0.6	5.3	-0.42
Major seven	8.4	-0.9	-5.5	2.6	0.9	-2.9	3.5	0.12
Other OECD	4.3	-0.6	-5.2	1.9	0.8	-2.3	2.5	0.08
Total OECD	7.8	-0.9	-5.4	2.5	0.9	-2.8	3.4	0.10

(a) (b) See footnotes to Table 1.

Table 4

Projections minus Outcome: Current balance
as a per cent of GNP/GDP

(Percentage points)

	1982	1983	1984	1985	1986	1987	MAE (a)	B (b)
United States	0.5	0.3	0.5	-0.4	-0.2	0.5	0.4	0.53
Japan	0.8	-0.7	-0.3	-0.6	-0.7	0.0	0.5	-0.45
Germany	-0.3	-0.6	-0.2	-0.9	-1.3	-1.3	0.8	-1.00
France (c)	1.2	-0.7	0.3	0.5	0.2	0.8	0.6	0.61
United Kingdom (c)	-1.6	-0.9	0.3	-1.0	1.2	-0.4	0.9	-0.44
Italy (c)	0.3	-1.3	1.2	0.8	-1.9	0.5	1.0	-0.07
Canada (c)	-4.4	-0.2	-0.3	0.2	1.5	0.3	1.1	-0.42
Major seven	0.1	-0.2	0.3	-0.3	-0.3	0.2	0.2	-0.15
Other OECD	-0.1	-0.9	-0.1	0.0	0.6	0.7	0.4	0.07
Total OECD	0.1	-0.3	0.2	-0.3	-0.1	0.3	0.2	-0.11

(a) (b) (c) See footnotes to Table 1.

Note: A positive figure indicates either an overestimation of a surplus or an underestimation of a deficit -- and vice versa.

Table 5

Projections minus Outcome: GNP deflators

(Percentage points)

	1982	1983	1984	1985	1986	1987	MAE (a)	B (b)
United States	1.9	1.9	1.1	0.5	1.2	0.0	1.1	0.99
Japan	2.2	2.2	0.7	0.1	-1.1	1.1	1.2	0.71
Germany	-1.3	0.2	1.0	-0.1	-1.4	-0.6	0.8	-0.47
France (c)	1.4	-0.2	0.2	0.8	-0.5	-0.4	0.6	0.41
United Kingdom (c)	1.8	0.6	1.1	-1.4	1.3	-0.3	1.1	0.48
Italy (c)	-1.5	1.0	1.3	-0.2	-0.8	-1.6	1.0	-0.27
Canada (c)	0.9	1.9	2.0	0.5	0.6	-1.5	1.2	0.60
Major seven	1.3	1.5	1.0	0.2	0.3	-0.1	0.7	0.94
Other OECD	-0.8	0.9	-1.9	-1.3	-0.4	-0.9	1.0	-0.70
Total OECD	1.0	1.4	0.6	0.0	0.2	-0.2	0.6	0.85

(a) (b) See footnotes to Table 1.

(c) GDP deflator.

Table 6

Projections minus Outcome: Unemployment Rates

(Percentage points)

	1982	1983	1984	1985	1986	1987	MAE (a)	B (b)
United States	-0.7	0.9	0.6	-0.1	0.3	0.5	0.5	0.47
Japan	-0.2	-0.4	0.1	-0.1	-0.1	0.3	0.2	-0.26
Germany	-0.7	0.3	1.0	0.1	0.0	-0.5	0.4	0.06
France	0.4	1.6	-0.6	0.4	0.2	0.6	0.6	0.69
United Kingdom	1.0	1.8	-0.1	0.0	-0.3	1.2	0.7	0.81
Italy	-0.1	0.0	0.2	0.0	0.4	0.6	0.2	0.82
Canada	-2.8	1.2	-0.3	1.1	0.2	0.4	1.0	-0.04
Major seven	-0.5	0.7	0.4	0.0	0.2	0.4	0.4	0.56
Other OECD	-0.6	0.0	0.6	0.6	0.5	0.5	0.5	0.59
Total OECD	-0.5	0.6	0.4	0.1	0.2	0.4	0.4	0.57

(a) (b) See footnotes to Table 1.

However, in some cases. Italy and France for example, unemployment over-predictions appear to have been greater than warranted by output projection errors implying lower than expected labour force participation rates.

Overall, projections appear to be more accurate for larger countries than for smaller ones. This is not surprising as better data coverage and more readily available statistical information allows a more elaborate projection exercise for the major countries.

III. Effects of Changes in Exogenous Factors

The OECD projections are based on a set of exogenous assumptions concerning economic policies, exchange rates and energy prices. In particular, fiscal and monetary policies, over the projection period, are set to reflect current policies and stated policy intentions. Exchange rates against the U.S. dollar are assumed to remain constant (except for countries where stated or de facto policy is otherwise). Finally, energy prices over the projected period are assumed unchanged from current observed levels. A post mortem should therefore attempt to make allowance for the effects of any changes in these exogenous factors, i.e. to ask how the forecasts would have been different had certain key exogenous assumptions been different from those actually embodied in the forecast.

However, any set of projections embodies a substantial amount of judgement of both country and topic specialists, judgement which, in turn, is not independent of the assumptions on policies, exchange rates and oil prices. Hence, it would prove very difficult for anyone other than the original forecasting team to assess the extent to which different policy assumptions and/or different exchange rates and energy prices would have affected their initial judgements. Such an assessment would be increasingly difficult the greater the difference between assumptions and actual events and the greater the lapse of time since the projections were made.

Data revisions also complicate attempts to assess what projections would have been. Typically any projection is heavily influenced by recent conjunctural information and preliminary national-account estimates for the jumping-off point of the projection. To the extent that such data are revised -- and revisions are sometimes substantial -- the projection will embody errors due to being based on what subsequently turns out to be inaccurate statistical information (6). This phenomenon could constitute a significant element in projection error (7) but the full (direct and indirect) effects of data revision may be virtually impossible to quantify separately.

Hence, it would appear virtually impossible to assess what the OECD projections would have been on the basis of actual outcomes of policies, exchange rates, oil prices and revised data, i.e. to quantify directly the errors associated with these factors. It is possible, however, to simulate the impact on the variables examined in this study of the differences between assumed and realised fiscal policy, monetary policy, exchange rates and oil prices. This has been done using the OECD's INTERLINK model; the main results are presented and discussed immediately below. These results cannot be seen as adjustments which can be applied directly to the original OECD

Table 7

Simulated impact on the growth of activity and
inflation of the difference between actual and assumed
fiscal policy stance

(percentage points)

	GNP/GDP						GNP/GDP deflator					
	1982	1983	1984	1985	1986	1987	1982	1983	1984	1985	1986	1987
United States	0.8	-0.7	0.7	0.3	0.6	-0.8	0.1	-0.1	0.1	--	0.1	-0.2
Japan	1.8	0.8	0.3	-0.4	1.1	1.5	0.4	0.2	0.1	-0.1	0.4	0.4
Germany	0.2	-0.3	0.8	0.2	0.4	-0.3	--	--	0.2	--	0.1	--
France	-0.2	--	0.2	0.1	0.5	0.4	--	--	--	--	0.1	--
United Kingdom	0.5	0.9	0.6	-0.8	--	-0.5	0.1	0.1	0.1	-0.1	--	-0.1
Italy	0.1	-0.1	0.1	0.3	0.9	0.7	--	--	--	--	0.1	--
Canada	0.1	--	0.6	0.1	0.2	-0.3	--	--	0.1	--	--	--
Major Seven	0.7	-0.1	0.5	0.1	0.5	-0.1	0.1	--	0.1	--	0.1	--

Table 8

Simulated impact on the growth of activity and inflation
of the difference between actual and assumed
monetary conditions

(percentage points)

	GNP/GDP						GNP/GDP deflator					
	1982	1983	1984	1985	1986	1987	1982	1983	1984	1985	1986	1987
United States	0.2	0.1	-0.8	0.9	1.0	-0.2	--	--	-0.2	0.2	0.5	--
Japan	0.4	0.2	-0.1	0.2	0.8	0.2	0.1	0.1	--	0.1	0.3	0.1
Germany	0.8	0.2	-0.3	0.4	0.2	-0.1	0.3	0.1	-0.1	0.2	0.1	--
France	0.1	0.2	--	--	0.2	-0.9	--	0.1	--	0.1	0.1	-0.4
United Kingdom	0.9	-0.6	-0.4	-0.1	0.3	0.1	0.7	-0.5	-0.2	-0.1	0.2	--
Italy	0.4	--	0.1	0.4	0.1	-0.3	0.1	--	--	0.1	0.1	-0.1
Canada	0.4	0.4	-0.4	0.7	0.5	-0.1	0.1	0.1	-0.1	0.2	0.3	--
Major Seven	0.4	0.1	-0.4	0.4	0.6	-0.2	0.1	0.1	-0.1	0.2	0.3	--

projection; inter alia they implicitly assume unchanged forecaster judgement (8). At best these results are indicative of the direction in which the original projections would have been revised had they embodied realised rather than assumed values for exogenous variables.

If the simulations discussed here did represent an attempt to "adjust" the original projections, differences in all exogenous variables would have had to be considered simultaneously. However, for the illustrative purposes of this exercise, it is more useful to consider the impact of each difference separately. The separate evaluation of fiscal and monetary policy effects involves a necessary but essentially arbitrary assumption about monetary policy when the impact of fiscal policy is examined. The rule followed here is first to evaluate fiscal policy effects assuming a non-accommodating stance of monetary policy (monetary aggregates unchanged at their baseline levels) and second to evaluate monetary policy effects assuming government expenditure unchanged in real terms (more details about assumptions underlying the simulations are provided in Annex I). All simulations reported below do embody full linkage effects across countries.

Fiscal policy. The impact of the difference between the fiscal policy assumed in the projections and that actually realised was estimated by simulating the effects of the differences between assumed and actual implicit tax rates and growth rates of government consumption and investment in volume terms. In this simulation transfer payments were considered to be endogenous as these payments depend in part on the overall activity changes. The direct estimates of the effects of changes in the fiscal policy assumptions on output and prices for the seven largest OECD economies taken together are presented in Table 7. A positive effect indicates that the fiscal stance was more expansionary (or less restrictive) than assumed at the time the projection was made. A negative sign indicates a less expansionary (or more restrictive) stance than assumed.

Differences between assumed and actual fiscal policy stance may have been significant in terms of its possible short-run effect on activity in the seven largest countries as a group in 1982, 1984 and 1986. In all three years the suggestion is that knowledge of the actual outcome on fiscal policy might have led to stronger activity projections. This is hardly a comforting conclusion, as it would have led to a smaller projection error in only one of the three years in question.

The results in Table 7 suggest that fiscal policy differences may have had only marginal implications for prices. These are, however, more pronounced for Japan in 1982-83 and again in 1986-87 when the largest discrepancies between the fiscal assumptions and the actual outcomes were recorded.

Monetary policy. Simulating the impact of monetary policy differences proved, in practical terms, to be less straightforward than for fiscal policy. Indeed, this depends on the instruments through which monetary policy was implemented in individual countries and these are not necessarily entirely exogenous. For example, during the period under consideration monetary policy was implemented through targeting of monetary aggregates in many countries. These targets, however, were related to certain inflation and growth objectives which were not necessarily identical to the projected ones. In

Table 9

Differences between realised exchange rate changes and those assumed in the projections (a)

(percentage points)

	1982	1983	1984	1985	1986	1987
United States						
Spot	-	-	-	-	-	-
Effective	8.0	0.8	6.8	1.7	-9.8	-9.8
Japan						
Spot	-6.6	14.6	-1.7	2.5	23.8	13.2
Effective	-1.9	17.2	2.8	3.7	17.0	6.3
Germany						
Spot	-7.5	-0.5	-8.0	0.6	20.6	14.5
Effective	1.9	2.5	-1.1	0.9	6.7	3.2
France						
Spot	-13.8	-5.7	-8.5	0.8	15.0	11.8
Effective	-5.8	-3.5	-1.3	1.1	0.1	-0.1
United Kingdom						
Spot	-5.2	-10.4	-10.9	1.9	2.3	15.6
Effective	3.1	-9.0	-5.4	2.8	-8.5	5.3
Italy						
Spot	-11.4	-4.2	-9.4	-3.8	18.5	9.6
Effective	-3.4	-2.0	-2.9	-3.8	4.2	-1.6
Canada						
Spot	-2.6	-0.5	-4.8	-4.1	-0.9	4.9
Effective	0.8	-0.3	-2.1	-4.0	-6.0	0.0

(a) The first line indicates the per cent change of the nominal exchange rate and the second line the change in the effective exchange rate from the ones assumed in the projections. A positive sign indicates a currency appreciation *vis-à-vis* the U.S. dollar compared to the parity assumed at the time the forecast was made.

Table 10

Simulated impact on the growth of activity and inflation of the differences between actual and assumed exchange rates

(percentage point difference from baseline)

	GNP/GDP						GNP/GDP deflator					
	1982	1983	1984	1985	1986	1987	1982	1983	1984	1985	1986	1987
United States	-0.5	--	-0.4	--	0.7	0.6	-0.2	--	-0.1	--	0.2	0.2
Japan	0.1	-0.3	-0.2	-0.1	-0.5	-0.2	0.2	-0.7	--	-0.2	-0.7	-0.4
Germany	-0.2	-0.2	-0.1	-0.1	-0.2	-0.1	0.1	--	0.1	--	-0.2	-0.2
France	-0.2	-0.1	-0.1	--	-0.2	--	0.5	0.2	0.3	--	-0.2	-0.2
United Kingdom	-0.2	0.3	0.1	-0.1	0.3	-0.1	0.3	0.7	0.4	-0.1	0.5	-0.9
Italy	-0.1	--	--	0.1	-0.2	0.1	0.5	0.3	0.4	0.4	-1.0	-0.5
Canada	--	--	0.2	0.3	0.3	-0.1	-0.2	--	--	0.3	0.7	0.1
Major Seven	-0.2	--	-0.2	--	0.2	0.3	-0.1	0.1	--	--	0.2	0.1

other countries. exchange rate objectives were the most important factor in setting monetary policy with both interest rates and money supply being endogenously determined. To avoid some of these problems, the approach adopted here was to consider the effects of differences between the interest rates embodied in the projections and the actual outcomes. Given that interest rates can change for reasons other than a change in the stance of monetary policy, this approach must be described as an examination of differences in monetary conditions rather than monetary policy. Results of simulations on this basis are reported in Table 8.

The results reported in Table 8 imply that differences between actual and projected monetary conditions might have made for stronger activity (by some 1/2 point) in 1982, 1985 and 1986 and weaker activity in 1984 for the seven largest countries as a group. The implications for inflation of this simulation are marginal. If these results are taken to indicate the direction in which OECD projections might have been different had they involved actual rather than assumed monetary conditions, projection errors for real output would have been adversely affected on balance.

Exchange rates. Differences between exchange rates embodied in the projections and the actual outcome are given in Table 9. These differences were striking in the 1982-84 period of rapid appreciation of the U.S. dollar and again in 1986 and 1987 when the dollar depreciated significantly. The simulated effects of these differences (Table 10) are relatively small for the seven largest countries taken together. The effects are larger for some countries in some of the years, but the results do not suggest that embodying the "correct" exchange rate in the projections would have systematically led to more accurate projections. For example, while projections of GNP based on the "correct" exchange rate might have been closer to the 1982 outcome, 1984 might have been further underestimated and 1986 and 1987 overestimated. The implications for projections of inflation (second bank of results in Table 10) are mixed but these results suggest that, on the basis of "correct" exchange rates, projections of inflation might have been no more accurate on balance.

In part, these conclusions may reflect the lag between exchange-rate changes and their effects; developments in a given year may be less affected by exchange-rate changes in that year than by those of previous years -- which are incorporated in the OECD projections (9). As well, the estimated impact of the differences between actual and assumed exchange rates does not take into account the effects which these exchange-rate differences may have had on expectations and in business sector behaviour. These which normally would have been taken into account by the individual forecasters as part of their judgmental input to the projections.

Energy prices. The period under consideration here involves two years in which oil prices were significantly lower than assumed in OECD projections (10) -- in 1983 and especially in 1986 -- and one in which they were markedly higher -- 1987 (Table 11). The simulated effects of these differences, presented in Table 12, are particularly significant for inflation but less so for activity, because only part of the effects on activity of an oil-price change are felt within a year (11).

Here too the simulation results do not suggest that differences between assumed and realised values of exogenous variables are a consistent source of

Table 11

Differences between realised dollar-denominated
oil-price changes and those assumed in the projections

(Percentage points)

	1982	1983	1984	1985	1986	1987
United States	-4.6	-8.1	0.3	-4.6	-43.9	44.0
Japan	-4.9	-8.9	-3.0	-2.4	-34.4	5.1
Germany	-5.7	-8.3	-2.1	0.8	-32.1	9.5
France	-2.4	-7.9	-2.1	-3.7	-35.1	9.6
United Kingdom	0.2	-7.5	-0.6	0.5	-34.0	11.3
Italy	-7.3	-11.4	0.9	-4.8	-38.0	28.0
Canada	-14.2	-16.2	6.5	-0.6	-31.6	10.4
Major seven	-4.8	-8.5	-0.4	-3.1	-38.1	20.9
Other OECD	-4.9	-9.0	-1.6	-3.0	-32.3	7.5
Total OECD	-4.8	-8.5	-0.6	-3.1	-37.2	18.9

Table 12

Simulated impact on the growth of activity and inflation
of the differences between actual and assumed
energy prices

(percentage points)

	GNP/GDP						GNP/GDP deflator					
	1982	1983	1984	1985	1986	1987	1982	1983	1984	1985	1986	1987
United States	--	0.1	--	--	0.4	-0.2	-0.1	-0.2	--	-0.1	-1.3	0.9
Japan	0.2	0.2	0.1	0.1	0.5	--	-0.3	-0.4	-0.1	-0.1	-1.3	0.1
Germany	0.1	0.2	--	--	0.5	-0.1	-0.1	-0.1	--	--	-0.7	0.2
France	0.1	0.2	--	0.1	0.5	-0.1	-0.1	-0.4	--	-0.2	-1.1	0.3
United Kingdom	--	0.2	--	--	0.5	-0.2	--	-0.4	--	--	-1.4	0.5
Italy	0.2	0.3	--	0.1	0.6	-0.3	-0.5	-0.7	--	-0.3	-1.5	0.8
Canada	-0.1	--	--	--	0.4	-0.1	-0.2	-0.2	0.1	--	-1.2	0.1
Major Seven	0.1	0.2	--	0.1	0.5	-0.1	-0.2	-0.4	--	-0.1	-1.3	0.6

projection error. The 1983 projections of both activity and inflation for the seven largest countries taken together might have been more accurate if they had been based on actual energy prices. On the other hand, the simulation results suggest that in 1986 embodying actual energy prices might have resulted in less accurate projections.

Summary. The simulated effects on activity and inflation of differences between assumed and actual outcomes of fiscal policy, monetary policy, exchange rates and oil prices are summarised in Table 13. The sum of these effects for the seven largest countries as a group is presented in the table alongside the differences between projections and actual outcomes (the last two rows of Panel A for activity and Panel B for inflation). Comparing these two sets of figures may give some broad qualitative impression of the extent to which projection errors might have been different had they embodied the actual values of exogenous assumptions.

Such a comparison highlights the conclusions which have already emerged above: the consequences of policy changes or movements in exchange-rates or oil prices after projections were made can hardly be considered as important sources of inaccurate projection of activity. Similarly, for inflation (second panel of Table 13) the simulation results suggest that the large overestimation in the early 1980s can be associated only to a very limited extent to changes in the exogenous assumptions underlying the projections.

IV. Other Sources of Projection Error

Projection error might also arise from within the process by which the projections are generated. The source of such errors -- which could involve inter-action among countries, policies and lagged effects -- is difficult to identify. Detailed analysis is not attempted here. However, some diagnostic evidence on errors in key behavioural variables is presented in the following paragraphs, which look specifically at differences between OECD projections and actual outcomes for inventory behaviour (Table 14), household saving ratios (Table 15), degree of wage moderation (Table 16) and non-OECD import volumes (Table 17).

As noted above, private expenditure fell more sharply than expected in 1982. For the seven largest OECD countries, the run-down of inventories was some 3/4 per cent of GNP greater than projected (Table 14) and household saving ratios turned out to be close to 1 percentage point higher than projected (Table 15) -- both important elements in the underestimation of the depth of the 1982 recession. Working in the other direction, a substantially lower saving ratio than projected in 1983 and a faster than expected rebuilding of stocks in 1984 figured significantly in actual GNP growth outstripping OECD projections of activity in 1983 and 1984.

In 1985, significant errors were made in projections of inventory behaviour in the United States and France and in household saving ratios in most of the major countries. At the overall level, however, these projection errors tended to offset each other: the projection of GNP growth for the

Table 13

Comparison of projections error with the simulated impact of the differences between the main technical assumptions and their observed outcomes

(Percentage points)

A. GNP or GDP: major seven OECD countries

	1982	1983	1984	1985	1986	1987
<u>Simulated impact</u>						
Fiscal policy	0.7	-0.1	0.5	0.1	0.5	-0.1
Monetary policy	0.4	0.1	-0.2	0.4	0.6	-0.2
Exchange rates	-0.2	--	-0.2	--	0.2	0.3
Energy prices	0.1	0.2	--	0.1	0.5	-0.1
Total	1.0	0.2	0.1	0.6	1.8	-0.1
<u>Memo item:</u>						
Projection error	1.4	-1.1	-1.5	0.2	0.1	0.1

B. GNP or GDP deflator : major seven OECD countries

	1982	1983	1984	1985	1986	1987
<u>Simulated impact</u>						
Fiscal policy	0.1	--	0.1	--	0.1	--
Monetary policy	0.1	0.1	-0.1	0.2	0.3	--
Exchange rates	-0.1	0.1	--	--	0.2	0.1
Energy prices	-0.2	-0.4	--	-0.1	-1.3	0.6
Total	-0.1	-0.2	--	0.1	-0.7	0.7
<u>Memo item:</u>						
Projection error	1.3	1.5	1.0	0.2	0.3	0.1

Table 14

Differences between actual and projected inventory movements

(Per cent contribution to GNP growth)

	1982	1983	1984	1985	1986	1987
United States	-1.0	--	0.9	-1.1	-0.2	0.5
Japan	-0.4	--	--	-0.1	-0.2	-0.3
Germany	0.5	1.0	0.8	0.1	0.1	0.4
France	-1.5	-0.5	1.0	-0.8	--	0.3
United Kingdom	-1.2	--	-0.5	-0.2	-0.2	-0.1
Italy	-0.2	-1.5	-0.5	-0.2	0.4	--
Canada	-2.8	0.6	-1.5	--	--	--
Major seven	-0.8	--	0.4	-0.6	-0.1	0.2

Table 15

Differences between actual and projected saving ratios

(Per cent of disposable income)

	1982	1983	1984	1985	1986	1987
United States	0.9	-2.0	1.0	-1.3	0.5	-0.8
Japan	1.3	-0.5	-1.3	-2.3	--	1.0
Germany	-0.8	-2.5	0.6	--	0.3	1.0
France	1.5	1.0	-0.8	-1.9	1.5	0.8
United Kingdom	-2.2	-0.6	1.7	1.1	-3.5	-1.2
Italy	1.5	-1.0	-0.3	-2.5	-0.3	3.0
Canada	5.7	0.6	2.0	2.3	-0.5	-1.4
Major seven	0.8	-1.2	0.4	-1.0	0.1	0.1

Table 16

Differences between change in actual and projected
change in average earnings

(Percentage points)

	1982	1983	1984	1985	1986	1987
United States	-0.4	-2.1	-2.2	-0.2	-1.3	-0.9
Japan	-3.4	-3.2	-1.2	-1.4	-1.1	-0.2
Germany	0.2	-0.1	--	-0.2	0.2	0.7
France	-3.3	1.2	0.6	-0.3	-0.4	1.0
United Kingdom	-1.4	-0.7	-1.6	2.1	-0.7	-0.8
Italy	-1.2	-2.7	-2.0	-0.5	-1.1	1.5
Canada	0.9	-3.4	-1.5	1.7	-1.3	0.4
Major seven	-1.2	-1.7	-1.4	-0.2	-0.9	-0.2

Table 17

Comparison between growth of actual and projected
change in volume of non-OECD imports of manufactures

(Per cent change)

	1982	1983	1984	1985	1986	1987
Projection	6.5	1.0	3.5	6.5	0.5	-2.0
Outcome	-2.9	-3.8	2.2	-0.9	-8.5	-0.7
Difference	-9.4	-4.8	-1.3	-7.4	-9.0	1.3

seven largest countries as a group in 1985 was within 1/4 point of the actual outcome.

OECD projections since 1982 have systematically overestimated the evolution of wages (Table 16) and non-OECD demand (Table 17). Overestimation of inflation cannot be explained by errors in projections of activity as these, over the whole period, largely cancelled out. It may be that falling inflation expectations in combination with rapidly increasing -- or persistently high -- unemployment has affected wage settlements to a larger extent than past experience would suggest. The effect on wage behaviour of measures to deregulate labour markets and to make them more flexible may also have been underestimated.

During the 1980s the import demand of non-OECD countries was adversely affected, at different times, by the debt crisis, high interest rates, relatively slow OECD growth for much of the period, steadily weakening prices of non-oil primary commodities and the sharp fall in oil prices in 1986. While effects of these adverse factors were embodied in the projections, they appear to have been systematically underestimated (Table 17), perhaps because of the strength of inter-action between them.

Conclusions

- Accuracy of the OECD projections of activity over the 1982-87 period varied significantly. Relatively large errors were made in the early part of the period where economic activity fluctuated substantially. However, the direction in which the economic climate was moving was correctly projected.
- Overall average projections of inflation were relatively close to actual outcomes, although inflation was systematically overestimated for the major OECD countries but underestimated for the majority of the smaller countries.
- Perhaps surprisingly, differences between assumed and realised values for policies, exchange rates and oil prices do not appear to have been a significant source of projection error. Indeed, on balance it seems that projection errors might have been larger had the projections been based on actual rather than assumed policies, exchange rates and energy prices. To the extent that the projections embody a substantial amount of judgement which is not independent of the underlying "exogenous" assumptions these results may point to some anticipation of future movements in "exogenous" variables.

NOTES

1. See Llewellyn and Arai (1984).
2. Applying this assumption is not always a straightforward matter. Intended policy changes known in sufficient detail are incorporated in OECD projections as are nominal exchange-rate changes for countries which have an official policy in this area.
3. See for example Christ (1975), McNees (1975) and (1981) and more recently Llewellyn, Arai (1984) and IMF (1987).
4. The forecasting accuracy of econometric methods versus time series analysis was the subject of extensive research in the 1970s. A major reason for the popularity of ARIMA methods has been that findings of several studies point to them being at least as accurate as the complex econometric models of the USA economy. (Cooper and Nelson 1975, Naylor 1972) an impressive list of such studies is given in Machmoud (1979). However the findings of an equally impressive list of authors point to the opposite conclusion (Christ, 1975; Goldfeld, 1972; Zarnowitz, (1978); Llewellyn & Arai 1984).
5. For 1987, the "outcome" is that reported in the June, 1988 Outlook.
6. For example, the direct mechanical impact alone of recent revisions to U.S. national accounts caused the OECD to raise pre-revision projections of U.S. real GNP growth in 1988 (published in June's Economic Outlook 43) by 0.7 percentage points.
7. Haitovsky, et al. (1974) and more formally Osborn and Teal (1979) attempted to decompose the ex-ante forecasting error into exogenous variable error, data revision error, model and judgement error. This exercise showed that data revisions (defined as revisions of lagged endogenous variables) are of particular importance for the forecast error.
8. Current practice would be to first look at the result given by the relevant equation and then apply an add-factor to make any judgmental adjustment thought necessary.
9. Projections for any given year in the previous December's Economic Outlook are based on actual exchange rates to early- or mid-November.
10. The exogenous assumption adopted by the OECD relates to oil prices. However, changes in other energy prices are derived directly from the assumed changes in oil prices (with a lag in some cases).
11. This study focuses on the differences between projections and outcomes only in the year following the time the projections were made. Hence, differences between assumed and realised values of exogenous variables are potential sources of error in this exercise only to the extent of the short-term (first-year) effect of these differences.

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ANNEX I

KEY ASSUMPTIONS UNDERLYING THE SIMULATIONS

In all simulations, unless otherwise specified, fiscal and monetary policy, exchange rates and energy prices are treated in the following way.

Fiscal policy. Government expenditure is held unchanged in real terms.

Monetary policy is assumed non-accommodating in the sense that the money supply is held unchanged from baseline so that short term interest rates adjust along with changing activity and inflation.

Exchange rates are assumed unchanged from baseline levels.

Non-OECD countries' demand for imports adjusts in line with changes in their export receipts.

Primary commodity prices adjust in line with OECD inflation.

ANNEX II

DETAILED POST MORTEM RESULTS FOR OECD COUNTRIES

UNITED STATES

	1982	1983	1984	1985	1986	1987
Percentage changes from previous period						
Real total domestic demand						
Projection	0.1	2.9	5.8	3.7	2.7	2.7
Outcome	-1.0	5.0	8.7	3.4	3.9	2.5
Difference	1.1	-2.1	-2.9	0.3	-1.1	0.2
Real GNP						
Projection	-0.4	2.0	4.9	3.1	2.7	2.9
Outcome	-1.9	3.7	6.8	2.7	2.9	2.9
Difference	1.5	-1.7	-1.9	0.3	-0.2	0.0
Inflation (GNP deflator)						
Projection	7.9	5.8	4.9	3.9	3.8	2.9
Outcome	6.0	3.8	3.8	3.4	2.6	3.0
Difference	1.9	1.9	1.1	0.5	1.2	0.0
Unemployment (per cent of labour force)						
Projection	9.0	10.5	8.1	7.1	7.3	6.7
Outcome	9.7	9.6	7.5	7.2	7.0	6.2
Difference	-0.7	0.9	0.6	-0.1	0.3	0.5
Current balance (per cent of GNP)						
Projection	0.1	-0.9	-2.2	-3.3	-3.5	-3.0
Outcome	-0.4	-1.3	-2.8	-2.9	-3.3	-3.6
Difference	0.5	0.3	0.5	-0.4	-0.2	0.5
Export market growth (in manufacturing)						
Projection	6.4	1.5	6.0	6.8	4.2	4.2
Outcome	-5.0	3.3	11.4	4.0	2.8	7.4
Difference	11.4	-1.8	-5.4	2.8	1.4	-3.2

UNITED STATES (cont.)

	1982	1983	1984	1985	1986	1987
Spot exchange rates (US\$ per unit)						
Assumption	1.0	1.0	1.0	1.0	1.0	1.0
Outcome	1.0	1.0	1.0	1.0	1.0	1.0
Difference	0.0	0.0	0.0	0.0	0.0	0.0
Import prices of energy (per cent change)						
Assumption	-2.2	0.6	-1.3	-0.5	-2.9	-17.7
Outcome	-6.7	-8.2	-0.9	-5.0	-45.3	18.5
Difference	4.5	8.7	-0.4	4.5	42.3	-36.2
Monetary policy						
Short term interest rates						
Assumption	15.1	8.4	9.5	9.8	7.0	6.0
Outcome	10.6	8.6	9.5	7.5	6.0	5.8
Difference	4.5	-0.2	0.0	2.4	1.0	0.2
Long term interest rates						
Assumption	14.9	12.0	11.9	12.9	11.3	9.0
Outcome	13.8	12.0	12.7	11.4	9.0	9.4
Difference	1.1	0.0	-0.8	1.6	2.2	-0.4
Fiscal policy						
Real government consumption (per cent change)						
Assumption	-1.4	1.5	1.3	5.1	2.7	2.2
Outcome	-1.8	-0.3	3.5	6.8	3.8	2.3
Difference	-3.2	1.7	-2.2	-1.7	-1.1	0.0
Direct taxes, household (% of disposable income)						
Assumption	14.3	13.5	13.4	13.5	13.9	13.3
Outcome	14.5	13.7	13.4	13.6	13.4	14.0
Difference	-0.2	-0.2	0.0	-0.1	0.5	-0.7

JAPAN

	1982	1983	1984	1985	1986	1987
Percentage changes from previous period						
Real total domestic demand						
Projection	2.6	2.7	3.1	4.4	3.9	3.6
Outcome	2.9	1.6	4.0	3.6	4.0	5.1
Difference	-0.3	1.2	-1.0	0.8	-0.1	-1.5
Real GNP						
Projection	3.8	3.5	3.9	5.1	3.6	2.7
Outcome	3.0	3.0	5.8	4.5	2.4	4.2
Difference	0.9	0.4	-1.9	0.6	1.2	-1.6
Inflation (GNP deflator)						
Projection	4.2	2.9	1.3	1.7	0.7	0.9
Outcome	2.0	0.7	0.6	1.7	1.8	-0.2
Difference	2.2	2.2	0.7	0.1	-1.1	1.1
Unemployment (per cent of labour force)						
Projection	2.2	2.2	2.8	2.5	2.7	3.2
Outcome	2.4	2.6	2.7	2.6	2.8	2.8
Difference	-0.2	-0.4	0.1	-0.1	-0.1	0.3
Current balance (per cent of GNP)						
Projection	1.5	1.1	2.5	3.1	3.7	3.7
Outcome	0.6	1.8	2.8	3.7	4.3	3.6
Difference	0.8	-0.7	-0.3	-0.6	-0.6	0.0
Export market growth (in manufacturing)						
Projection	6.3	3.3	7.7	9.4	5.3	3.1
Outcome	-1.2	3.7	13.7	5.8	3.4	5.4
Difference	7.5	-0.4	-6.0	3.6	1.9	-2.4

JAPAN (cont.)

	1982	1983	1984	1985	1986	1987
Spot exchange rates (\$ per 1000 units)						
Assumption	4.3	3.7	4.3	4.1	4.8	6.1
Outcome	4.0	4.2	4.2	4.2	6.0	6.9
Difference	7.0	-12.8	1.7	-2.4	-19.2	-11.6
Import prices of energy (per cent change)						
Assumption	-0.4	-0.8	-2.7	-0.7	-1.9	-10.2
Outcome	-5.5	-9.6	-5.5	-3.1	-36.3	4.6
Difference	5.1	8.8	2.9	2.4	34.4	-14.7
Monetary policy						
Short term interest rates						
Assumption	7.1	6.9	5.9	6.0	6.7	4.3
Outcome	6.9	6.4	6.1	6.5	4.8	3.5
Difference	0.1	0.5	-0.2	-0.5	1.9	0.8
Long term interest rates						
Assumption	8.5	7.9	7.4	7.2	7.0	5.2
Outcome	8.0	7.5	7.1	6.8	5.6	4.4
Difference	0.4	0.4	0.3	0.4	1.4	0.9
Fiscal policy						
Real government consumption (per cent change)						
Assumption	0.5	0.8	0.5	1.7	2.3	-0.9
Outcome	3.5	2.6	2.3	2.6	6.6	-0.5
Difference	-3.0	-1.8	-1.8	-0.8	-4.3	-0.3
Real public investment (per cent change)						
Assumption	-6.2	-0.2	0.1	-2.4	-1.1	3.3
Outcome	0.7	-0.2	-1.5	-6.9	4.5	8.4
Difference	-6.8	-0.0	1.6	4.5	-5.6	-5.1
Direct taxes, household (% of disposable income)						
Assumption	8.4	8.5	7.9	7.4	7.8	8.0
Outcome	7.4	7.4	7.6	7.7	7.7	8.0
Difference	1.0	1.0	0.4	-0.3	0.2	-0.0

GERMANY

	1982	1983	1984	1985	1986	1987
Percentage changes from previous period						
Real total domestic demand						
Projection	-0.4	-0.4	1.4	1.7	3.1	4.4
Outcome	-2.2	2.0	1.8	1.5	3.7	2.9
Difference	1.7	-2.3	-0.4	0.2	-0.7	1.5
Real GNP						
Projection	1.3	-0.2	2.1	2.7	3.2	3.1
Outcome	-1.1	1.3	2.7	2.5	2.5	1.7
Difference	2.5	-1.5	-0.7	0.3	0.8	1.4
Inflation (GNP deflator)						
Projection	3.5	3.4	2.8	2.1	1.6	1.5
Outcome	4.8	3.2	1.9	2.2	3.1	2.1
Difference	-1.3	0.2	1.0	-0.1	-1.4	-0.6
Unemployment (per cent of labour force)						
Projection	6.1	8.5	9.2	8.3	8.0	7.4
Outcome	6.9	8.2	8.2	8.3	8.0	7.9
Difference	-0.7	0.3	1.0	0.1	0.0	-0.5
Current balance (per cent of GNP)						
Projection	0.2	0.0	0.8	1.2	2.8	2.6
Outcome	0.5	0.6	1.0	2.0	4.1	3.9
Difference	-0.3	-0.6	-0.2	-0.9	-1.3	-1.3
Export market growth (in manufacturing)						
Projection	4.8	2.3	4.1	7.1	4.6	4.0
Outcome	1.0	2.0	9.4	6.3	4.8	7.2
Difference	3.7	0.3	-5.3	0.8	-0.2	-3.2

GERMANY (cont.)

	1982	1983	1984	1985	1986	1987
Spot exchange rates (US\$ per unit)						
Assumption	0.4	0.4	0.4	0.3	0.4	0.5
Outcome	0.4	0.4	0.4	0.3	0.5	0.6
Difference	8.1	0.5	8.7	-0.6	-17.1	-12.7
Import prices of energy (per cent change)						
Assumption	1.0	-2.2	-2.7	-1.8	-2.3	-5.9
Outcome	-5.0	-10.3	-4.8	-1.0	-33.7	3.6
Difference	6.0	8.1	2.1	-0.8	31.4	-9.5
Monetary policy						
Short term interest rates						
Assumption	12.0	6.7	5.5	6.0	4.0	4.3
Outcome	8.9	5.8	6.0	5.4	4.6	4.0
Difference	3.1	0.9	-0.5	0.5	-0.6	0.3
Long term interest rates						
Assumption	10.6	8.1	7.6	8.0	5.9	5.8
Outcome	9.1	8.0	7.8	6.9	6.0	5.8
Difference	1.5	0.2	-0.2	1.0	-0.1	-0.1
Fiscal policy						
Real government consumption (per cent change)						
Assumption	0.5	0.6	0.0	0.6	1.5	2.5
Outcome	-1.1	0.0	2.4	2.1	2.3	1.5
Difference	1.6	0.6	-2.3	-1.5	-0.8	1.0
Real public investment (per cent change)						
Assumption	-5.9	-1.3	1.1	2.4	6.5	4.6
Outcome	-8.2	-8.1	-1.3	-0.4	7.3	0.7
Difference	2.3	6.8	2.3	2.8	-0.8	4.0
Direct taxes, household (% of disposable income)						
Assumption	11.3	10.5	11.0	10.7	10.7	10.7
Outcome	10.6	10.6	10.6	10.7	10.6	10.5
Difference	0.7	0.0	0.4	0.0	0.2	0.1

FRANCE

	1982	1983	1984	1985	1986	1987
Percentage changes from previous period						
Real total domestic demand						
Projection	2.6	0.1	-0.9	1.5	2.2	2.8
Outcome	3.9	-0.5	0.5	2.1	3.7	3.1
Difference	-1.3	0.6	-1.5	-0.6	-1.5	-0.3
Real GDP						
Projection	2.6	0.5	0.0	1.9	2.0	2.3
Outcome	1.9	0.7	1.6	1.4	2.0	1.9
Difference	0.7	-0.1	-1.6	0.5	0.1	0.3
Inflation (GDP deflator)						
Projection	14.0	9.3	7.4	6.6	4.2	2.3
Outcome	12.6	9.5	7.1	5.8	4.7	2.7
Difference	1.4	-0.2	0.2	0.8	-0.5	-0.4
Unemployment (per cent of labour force)						
Projection	8.4	9.8	9.3	10.6	10.7	11.2
Outcome	8.0	8.2	9.9	10.2	10.5	10.6
Difference	0.4	1.6	-0.6	0.4	0.2	0.6
Current balance (per cent of GDP)						
Projection	-1.1	-1.5	0.2	0.4	0.6	0.3
Outcome	-2.2	-0.8	-0.1	0.0	0.4	-0.5
Difference	1.2	-0.7	0.3	0.5	0.2	0.8
Export market growth (in manufacturing)						
Projection	5.0	1.8	4.7	7.3	4.5	4.1
Outcome	-0.2	1.7	8.8	5.9	3.6	6.9
Difference	5.1	0.1	-4.1	1.4	0.9	-2.9

FRANCE (cont.)

	1982	1983	1984	1985	1986	1987
Spot exchange rates (US\$ per unit)						
Assumption	0.2	0.1	0.1	0.1	0.1	0.1
Outcome	0.2	0.1	0.1	0.1	0.1	0.2
Difference	16.1	6.1	9.2	-0.8	-13.1	-10.6
Import prices of energy (per cent change)						
Assumption	-0.4	-3.0	-2.7	0.9	0.0	-4.9
Outcome	-2.9	-10.7	-4.8	-2.8	-35.8	4.3
Difference	2.5	7.6	2.1	3.7	35.8	-9.2
Monetary policy						
Short term interest rates						
Assumption	17.0	13.5	11.0	9.5	7.9	6.4
Outcome	14.9	12.5	11.7	9.9	7.7	8.2
Difference	2.1	1.0	-0.7	-0.4	0.2	-1.9
Long term interest rates						
Assumption	16.9	15.1	13.6	11.7	9.6	7.1
Outcome	16.8	14.4	13.4	11.9	9.1	10.2
Difference	0.1	0.7	0.2	-0.2	0.5	-3.1
Fiscal policy						
Real government consumption (per cent change)						
Assumption	3.6	2.0	0.3	0.1	0.4	0.8
Outcome	1.7	1.8	0.2	1.3	2.7	2.1
Difference	1.8	0.2	0.1	-1.2	-2.3	-1.3
Real public investment (per cent change)						
Assumption	0.8	1.3	-3.2	0.1	0.9	1.7
Outcome	0.5	2.2	-1.7	2.3	7.6	4.8
Difference	0.4	-0.8	-1.5	-2.2	-6.8	-3.1
Direct taxes, household (% of disposable income)						
Assumption	6.1	6.7	7.0	6.5	6.5	6.5
Outcome	6.2	6.6	6.9	6.7	6.7	5.5
Difference	-0.2	0.1	0.1	-0.2	-0.3	0.9

UNITED KINGDOM

	1982	1983	1984	1985	1986	1987
Percentage changes from previous period						
Real total domestic demand						
Projection	1.4	2.1	2.2	2.9	3.0	3.3
Outcome	3.0	4.6	2.4	2.8	3.8	4.2
Difference	-1.6	-2.4	-0.2	0.1	-0.8	-0.9
Real GDP						
Projection	0.3	0.9	2.3	3.0	2.4	2.8
Outcome	1.8	3.2	2.6	3.5	3.3	4.5
Difference	-1.5	-2.2	-0.3	-0.6	-0.9	-1.7
Inflation (GDP deflator)						
Projection	9.0	5.7	5.5	4.4	4.9	4.1
Outcome	7.2	5.1	4.4	5.8	3.5	4.4
Difference	1.8	0.6	1.1	-1.4	1.3	-0.3
Unemployment (per cent of labour force)						
Projection	12.0	13.3	11.5	11.8	11.5	11.6
Outcome	11.0	11.5	11.7	11.8	11.8	10.4
Difference	1.0	1.8	-0.1	0.0	-0.3	1.2
Current balance (per cent of GDP)						
Projection	0.5	0.1	0.6	0.0	0.9	-0.8
Outcome	2.0	1.0	0.3	1.0	-0.3	-0.4
Difference	-1.6	-0.9	0.3	-1.0	1.2	-0.4
Export market growth (in manufacturing)						
Projection	5.1	2.6	4.9	7.6	3.8	3.4
Outcome	0.2	1.1	9.7	5.0	3.4	6.7
Difference	4.9	1.5	-4.8	2.6	0.4	-3.3

UNITED KINGDOM (cont.)

	1982	1983	1984	1985	1986	1987
Spot exchange rates (US\$ per unit)						
Assumption	1.8	1.7	1.5	1.3	1.4	1.4
Outcome	1.7	1.5	1.3	1.3	1.5	1.6
Difference	5.5	11.6	12.2	-1.8	-2.2	-13.5
Import prices of energy (per cent change)						
Assumption	-1.9	-1.3	-2.7	-0.4	-1.0	-7.6
Outcome	-1.7	-8.9	-3.3	0.1	-34.6	2.9
Difference	-0.2	7.5	0.6	-0.5	33.6	-10.5
Monetary policy						
Short term interest rates						
Assumption	14.1	8.4	8.3	9.5	10.5	10.0
Outcome	12.0	9.6	9.3	11.7	10.3	9.2
Difference	2.1	-1.2	-1.0	-2.1	0.2	0.8
Long term interest rates						
Assumption	16.3	8.9	9.5	10.0	10.8	9.9
Outcome	12.8	10.8	10.7	10.6	9.9	9.5
Difference	3.5	-2.0	-1.2	-0.6	0.9	0.4
Fiscal policy						
Real government consumption (per cent change)						
Assumption	-0.8	0.8	0.6	0.9	0.7	1.5
Outcome	1.4	2.6	1.0	0.4	0.9	1.2
Difference	-2.2	-1.8	-0.4	0.4	-0.2	0.4
Real public investment (per cent change)						
Assumption	-3.6	5.3	1.4	1.3	2.4	-1.6
Outcome	-1.6	12.7	0.8	-14.2	2.0	-9.0
Difference	-2.0	-7.5	0.6	15.5	0.4	7.4
Direct taxes, household (% of disposable income)						
Assumption	13.4	13.2	13.3	12.5	11.4	12.5
Outcome	13.5	12.7	12.4	12.6	12.6	12.7
Difference	-0.1	0.5	0.9	-0.1	-1.2	-0.2

ITALY

	1982	1983	1984	1985	1986	1987
Percentage changes from previous period						
Real total domestic demand						
Projection	0.5	0.1	2.4	2.5	2.3	4.0
Outcome	-0.5	-2.2	3.1	2.4	3.2	4.6
Difference	0.9	2.3	-0.7	0.1	-1.0	-0.6
Real GDP						
Projection	1.1	0.2	2.0	2.6	2.4	3.1
Outcome	-0.3	-1.2	2.6	2.3	2.7	3.1
Difference	1.5	1.4	-0.5	0.3	-0.3	0.0
Inflation (GDP deflator)						
Projection	16.1	16.2	12.0	8.6	7.3	4.0
Outcome	17.6	15.2	10.7	8.8	8.0	5.6
Difference	-1.5	1.0	1.3	-0.2	-0.8	-1.6
Unemployment (per cent of labour force)						
Projection	9.0	9.7	10.5	10.5	10.5	11.6
Outcome	9.1	9.7	10.3	10.6	10.1	11.0
Difference	-0.1	0.0	0.2	0.0	0.4	0.6
Current balance (per cent of GDP)						
Projection	-1.3	-1.1	0.3	-0.4	-1.2	0.4
Outcome	-1.6	0.2	-0.9	-1.2	0.6	-0.1
Difference	0.3	-1.3	1.2	0.8	-1.9	0.5
Export market growth (in manufacturing)						
Projection	5.9	2.4	4.0	7.4	3.7	3.5
Outcome	1.4	1.2	7.2	4.4	3.2	6.1
Difference	4.5	1.1	-3.2	3.0	0.5	-2.6

ITALY (cont.)

	1982	1983	1984	1985	1986	1987
Spot exchange rates (US\$ per 1000 units)						
Assumption	0.8	0.7	0.6	0.5	0.6	0.7
Outcome	0.7	0.7	0.6	0.5	0.7	0.8
Difference	12.8	4.4	10.4	4.0	-15.6	-8.8
Import prices of energy (per cent change)						
Assumption	-0.4	-0.4	-2.7	2.0	1.1	-10.8
Outcome	-8.3	-12.0	-1.8	-2.9	-38.4	14.2
Difference	7.9	11.6	-0.9	4.8	39.6	-25.0
Monetary policy						
Short term interest rates						
Assumption	20.0	18.5	15.3	16.2	12.0	10.5
Outcome	19.3	17.2	17.3	15.3	13.4	11.3
Difference	0.8	1.3	-2.0	1.0	-1.4	-0.9
Long term interest rates						
Assumption	22.8	17.5	16.3	15.3	10.8	8.5
Outcome	20.3	17.7	15.1	13.1	10.4	10.6
Difference	2.5	-0.2	1.2	2.1	0.4	-2.1
Fiscal policy						
Real government consumption (per cent change)						
Assumption	2.0	1.8	2.0	0.3	1.5	2.4
Outcome	1.8	2.8	2.7	2.5	3.0	3.4
Difference	0.2	-1.0	-0.8	-2.2	-1.5	-0.9
Direct taxes, household (% of disposable income)						
Assumption	10.5	11.4	10.9	11.7	11.5	11.8
Outcome	10.4	11.8	11.3	11.8	10.0	10.4
Difference	0.1	-0.4	-0.3	-0.1	1.5	1.4

CANADA

	1982	1983	1984	1985	1986	1987
Percentage changes from previous period						
Real total domestic demand						
Projection	1.2	1.6	5.5	2.4	3.0	2.1
Outcome	-6.7	3.5	3.5	4.6	3.9	4.8
Difference	7.9	-2.0	2.0	-2.1	-0.8	-2.7
Real GDP						
Projection	1.0	1.3	5.0	2.7	2.9	2.9
Outcome	-4.4	3.3	5.0	4.0	3.3	3.9
Difference	5.4	-2.0	-0.1	-1.3	-0.4	-1.0
Inflation (GDP deflator)						
Projection	11.0	7.3	4.8	3.9	3.5	3.1
Outcome	10.1	5.4	2.8	3.3	2.9	4.6
Difference	0.9	1.9	2.0	0.5	0.6	-1.5
Unemployment (per cent of labour force)						
Projection	8.2	13.1	11.0	11.6	9.8	9.3
Outcome	11.0	11.9	11.3	10.5	9.6	8.9
Difference	-2.8	1.2	-0.3	1.1	0.2	0.4
Current balance (per cent of GDP)						
Projection	-3.5	0.3	0.3	0.1	-0.3	-1.5
Outcome	0.8	0.4	0.6	-0.1	-1.8	-1.7
Difference	-4.4	-0.2	-0.3	0.2	1.5	0.3
Export market growth (in manufacturing)						
Projection	5.9	6.4	13.3	12.6	6.1	5.5
Outcome	-1.2	11.0	25.5	10.4	11.1	6.2
Difference	7.1	-4.6	-12.2	2.2	-5.0	-0.6

CANADA (cont.)

	1982	1983	1984	1985	1986	1987
Spot exchange rates (US\$ per unit)						
Assumption	0.8	0.8	0.8	0.8	0.7	0.7
Outcome	0.8	0.8	0.8	0.7	0.7	0.8
Difference	2.6	0.5	5.0	4.3	0.9	-4.7
Import prices of energy (per cent change)						
Assumption	1.2	-1.3	-2.7	-0.5	-2.7	-5.7
Outcome	-15.4	-20.8	3.3	-1.1	-33.4	4.1
Difference	16.6	19.4	-6.0	0.6	30.7	-9.8
Monetary policy						
Short term interest rates						
Assumption	19.5	10.8	9.5	10.2	7.9	7.2
Outcome	14.2	9.4	11.2	9.6	9.2	8.4
Difference	5.4	1.4	-1.7	0.7	-1.3	-1.2
Long term interest rates						
Assumption	16.2	12.8	12.3	12.5	10.5	9.4
Outcome	14.3	11.8	12.7	11.0	9.5	10.0
Difference	2.0	1.0	-0.4	1.5	1.0	-0.5
Fiscal policy						
Real government consumption (per cent change)						
Assumption	2.9	1.9	3.1	2.4	0.9	1.1
Outcome	0.5	0.3	2.6	1.9	1.0	2.4
Difference	2.4	1.7	0.4	0.6	-0.1	-1.3
Real public investment (per cent change)						
Assumption	1.2	3.0	8.2	3.2	1.1	3.4
Outcome	3.3	1.5	8.5	2.7	-1.9	0.0
Difference	-2.1	1.5	-0.3	0.6	3.0	3.4
Direct taxes, household (% of disposable income)						
Assumption	14.6	15.3	15.0	14.1	14.4	14.5
Outcome	14.1	14.0	13.8	13.6	14.5	15.1
Difference	0.5	1.4	1.2	0.4	-0.1	-0.6

AUSTRALIA

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	3.4	0.6	4.5	3.2	2.4	1.3
Outcome	-0.2	-0.9	5.7	4.6	-0.7	1.7
Difference	3.6	1.5	-1.2	-1.4	3.2	-0.4
GDPV						
Projection	3.3	0.6	5.2	2.3	4.3	3.3
Outcome	0.0	0.6	6.3	4.4	1.5	4.5
Difference	3.3	0.0	-1.1	-2.1	2.7	-1.2
PGDP						
Projection	10.4	9.4	7.6	4.2	7.7	6.6
Outcome	11.5	8.4	7.1	6.1	7.9	7.7
Difference	-1.2	0.9	0.5	-1.9	-0.2	-1.1
PCP						
Projection	10.7	9.9	7.0	4.7	8.2	7.3
Outcome	10.5	9.7	6.8	7.3	9.5	8.0
Difference	0.3	0.2	0.1	-2.6	-1.3	-0.7
UNR						
Projection	5.9	9.0	10.4	8.7	7.5	8.4
Outcome	7.1	9.9	8.9	8.1	8.0	8.1
Difference	-1.3	-0.9	1.4	0.6	-0.5	0.4
Current balance (per cent of GDP)						
Projection	-5.0	-6.6	-2.0	-5.1	-4.3	-4.9
Outcome	-5.3	-3.5	-4.8	-5.6	-5.7	-4.5
Difference	0.2	-3.1	2.8	0.5	1.4	-0.4
Market growth						
Projection	5.5	2.1	4.8	8.4	6.1	5.7
Outcome	-0.2	3.9	15.9	5.0	5.1	8.0
Difference	5.7	-1.8	-11.0	3.3	1.0	-2.3

AUSTRALIA (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	1.1	0.9	0.9	0.9	0.7	0.6
Outcome	1.0	0.9	0.9	0.7	0.7	0.7
Difference	12.3	4.4	4.3	23.3	-0.1	-8.4
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	-0.3	-2.2	-6.0
Outcome	-9.0	-7.7	-5.2	-9.6	-38.5	14.9
Difference	8.6	6.4	2.5	9.3	36.3	-20.9
Monetary policy						
IRS						
Forecast	15.3	14.8	9.5	11.2	13.5	13.5
Outcome	14.8	11.0	12.3	16.2	16.4	13.5
Difference	0.6	3.8	-2.8	-5.0	-2.9	0.0
IRL						
Forecast	14.7	14.6	13.5	14.3	13.7	13.5
Outcome	15.4	14.3	13.8	14.1	13.6	13.5
Difference	-0.6	0.3	-0.3	0.1	0.2	0.0
Fiscal policy						
CGV						
Forecast	-0.4	3.8	4.1	3.6	3.4	1.9
Outcome	-1.2	6.2	6.0	6.3	2.5	2.7
Difference	0.8	-2.5	-2.0	-2.7	1.0	-0.8
IGV						
Forecast	0.6	6.3	5.4	4.3	-1.0	2.0
Outcome	8.3	2.9	4.6	9.8	2.6	-3.7
Difference	-7.7	3.4	0.7	-5.5	-3.6	5.7
TYH (per cent of YRH)						
Forecast	18.5	16.7	17.3	18.7	17.3	16.7
Outcome	18.2	15.8	16.9	16.6	17.9	18.7
Difference	0.4	0.9	0.3	2.1	-0.6	-2.0

BELGIUM

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	-0.3	-0.6	-0.3	0.6	0.7	1.1
Outcome	-0.1	-1.5	1.3	1.0	3.4	2.4
Difference	-0.2	0.9	-1.6	-0.4	-2.7	-1.3
GDPV						
Projection	1.0	0.7	1.1	1.7	1.4	1.9
Outcome	1.0	0.4	1.3	1.1	2.3	1.8
Difference	-0.1	0.3	-0.2	0.6	-0.9	0.2
PGDP						
Projection	7.8	7.5	6.5	4.8	4.3	1.0
Outcome	8.0	5.9	5.5	5.2	4.5	1.4
Difference	-0.2	1.6	1.0	-0.4	-0.2	-0.4
PCP						
Projection	7.2	8.0	6.5	5.0	3.8	1.2
Outcome	8.7	6.9	6.1	5.0	1.4	1.6
Difference	-1.5	1.1	0.4	0.0	2.4	-0.5
UNR						
Projection	11.3	13.5	15.1	13.9	13.4	11.2
Outcome	13.1	13.2	13.3	12.1	11.4	11.2
Difference	-1.8	0.3	1.8	1.8	2.1	0.0
Current balance (per cent of GDP)						
Projection	-6.1	-2.9	-0.2	1.1	1.4	3.9
Outcome	-2.9	-0.7	-0.3	1.0	2.7	1.8
Difference	-3.2	-2.2	0.1	0.2	-1.3	2.1
Market growth						
Projection	5.4	1.6	3.6	7.2	5.7	5.6
Outcome	1.9	4.0	8.9	6.4	6.3	8.0
Difference	3.6	-2.4	-5.3	0.8	-0.6	-2.4

BELGIUM (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per 1000 units)						
Forecast	26.6	20.4	18.8	16.9	18.9	23.4
Outcome	21.9	19.6	17.3	16.9	22.4	26.8
Difference	21.0	3.8	8.3	-0.4	-15.6	-12.6
PMED (oil prices)						
Forecast	0.4	-1.3	-2.7	-1.2	3.2	-5.0
Outcome	-8.6	-9.4	-2.9	-3.2	-32.7	14.4
Difference	9.0	8.1	0.3	2.0	35.8	-19.4
Monetary policy						
IRS						
Forecast	15.7	12.8	8.7	9.8	8.5	6.5
Outcome	14.0	10.5	11.5	9.6	8.1	7.1
Difference	1.7	2.3	-2.8	0.2	0.5	-0.5
IRL						
Forecast	13.9	13.8	10.3	9.3	10.2	6.6
Outcome	13.5	11.8	12.0	10.5	7.9	7.8
Difference	0.4	2.0	-1.7	-1.2	2.3	-1.1
Fiscal policy						
CGV						
Forecast	0.5	-1.5	-0.8	0.2	0.2	-1.5
Outcome	-1.6	0.2	-0.2	1.5	0.4	-1.2
Difference	2.1	-1.7	-0.6	-1.3	-0.2	-0.3
IGV						
Forecast	0.0	-3.0	-6.5	-4.0	-4.0	-12.0
Outcome	-5.6	-7.4	-16.2	-7.1	-4.1	-2.0
Difference	5.6	4.4	9.7	3.1	0.1	-10.0
TYH (per cent of YRH)						
Forecast	17.0	15.6	15.5	16.2	15.6	15.1
Outcome	15.5	14.8	15.2	15.1	14.8	14.4
Difference	1.5	0.7	0.3	1.0	0.8	0.7

DENMARK

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	3.2	-1.3	0.2	2.3	3.4	-1.3
Outcome	3.8	1.0	4.3	5.3	5.7	-2.5
Difference	-0.6	-2.3	-4.1	-2.9	-2.3	1.2
GDPV						
Projection	3.3	0.1	0.8	2.7	3.5	0.5
Outcome	3.6	2.0	3.5	3.8	3.4	-0.9
Difference	-0.3	-1.9	-2.7	-1.2	0.1	1.4
PGDP						
Projection	9.5	6.3	5.0	4.5	3.0	3.8
Outcome	9.7	7.6	5.6	5.4	4.9	5.7
Difference	-0.2	-1.3	-0.6	-0.9	-1.9	-1.9
PCP						
Projection	8.6	7.0	5.7	4.5	2.7	3.7
Outcome	9.8	6.7	6.4	4.7	3.6	4.1
Difference	-1.2	0.3	-0.7	-0.2	-0.9	-0.4
UNR						
Projection	9.0	10.9	11.3	9.8	8.6	8.5
Outcome	9.9	10.5	10.0	8.9	7.9	7.9
Difference	-0.8	0.4	1.3	0.9	0.8	0.6
Current balance (per cent of GDP)						
Projection	-3.8	-3.4	-0.8	-2.6	-3.2	-3.1
Outcome	-4.0	-2.1	-3.0	-4.6	-5.2	-2.9
Difference	0.1	-1.3	2.2	2.0	2.1	-0.2
Market growth						
Projection	5.0	1.8	4.8	7.5	4.4	3.7
Outcome	2.6	3.3	9.7	7.5	5.2	5.6
Difference	2.4	-1.5	-4.9	0.1	-0.8	-2.0

DENMARK (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.1	0.1	0.1	0.1	0.1	0.1
Outcome	0.1	0.1	0.1	0.1	0.1	0.1
Difference	15.4	2.2	9.4	-1.1	-14.7	-11.6
PMED (oil prices)						
Forecast	0.0	-1.3	-2.7	-0.8	-1.6	-6.4
Outcome	3.5	-13.7	-5.9	0.4	-31.0	2.8
Difference	-3.5	12.3	3.2	-1.2	29.3	-9.2
Monetary policy						
IRS						
Forecast	18.0	17.1	12.5	10.0	8.5	8.5
Outcome	18.6	15.9	12.3	9.8	9.5	9.4
Difference	-0.5	1.2	0.2	0.2	-1.0	-0.9
IRL						
Forecast	0.0	20.0	12.5	12.7	10.0	9.8
Outcome	19.4	14.4	14.1	11.8	10.6	11.9
Difference	-19.4	5.6	-1.6	0.9	-0.6	-2.2
Fiscal policy						
CGV						
Forecast	2.5	0.5	-1.3	0.3	0.2	1.5
Outcome	4.1	0.0	-0.6	1.7	0.5	1.5
Difference	-1.6	0.5	-0.7	-1.4	-0.3	0.0
IGV						
Forecast	0.1	-3.0	-10.0	4.2	6.2	-6.0
Outcome	-5.5	-12.0	2.7	4.6	-5.8	3.0
Difference	5.6	9.0	-12.7	-0.4	12.0	-9.0
TYH (per cent of YRH)						
Forecast	30.5	31.1	31.9	30.2	28.9	30.7
Outcome	30.9	28.7	28.5	29.8	29.8	30.9
Difference	-0.3	2.4	3.4	0.4	-0.9	-0.3

FINLAND

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	0.4	0.6	3.6	5.4	2.5	3.0
Outcome	4.5	2.9	1.4	3.3	2.8	5.5
Difference	-4.1	-2.3	2.2	2.1	-0.3	-2.5
GDPV						
Projection	1.3	1.2	3.2	4.5	2.3	2.1
Outcome	2.5	2.9	3.0	2.8	2.4	3.6
Difference	-1.2	-1.6	0.2	1.7	-0.1	-1.5
PGDP						
Projection	10.3	9.6	8.7	6.5	5.0	3.7
Outcome	9.2	9.1	7.6	5.9	3.6	4.5
Difference	1.1	0.5	1.1	0.6	1.5	-0.8
PCP						
Projection	9.8	10.0	8.5	6.2	5.0	3.2
Outcome	9.2	9.1	7.1	6.0	3.1	4.1
Difference	0.5	0.9	1.4	0.2	1.9	-0.9
UNR						
Projection	5.7	7.5	5.8	5.4	6.2	7.2
Outcome	5.9	6.1	6.1	6.3	5.5	5.1
Difference	-0.2	1.4	-0.3	-0.9	0.8	2.1
Current balance (per cent of GDP)						
Projection	0.1	-0.3	-1.8	-1.1	0.7	-1.2
Outcome	-2.0	-1.9	0.0	-1.4	-1.2	-2.5
Difference	2.1	1.6	-1.8	0.3	1.9	1.3
Market growth						
Projection	4.5	1.3	3.8	7.7	3.9	1.4
Outcome	1.6	2.8	9.6	8.1	0.8	2.9
Difference	2.9	-1.5	-5.8	-0.4	3.1	-1.4

FINLAND (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.2	0.2	0.2	0.2	0.2	0.2
Outcome	0.2	0.2	0.2	0.2	0.2	0.2
Difference	9.0	1.4	6.0	-0.2	-9.5	-12.1
PMED (oil prices)						
Forecast	-0.4	-1.4	-2.7	-0.5	-2.4	-5.5
Outcome	-7.7	-14.6	-4.9	-3.6	-29.6	6.0
Difference	7.2	13.2	2.3	3.0	27.2	-11.5
Monetary policy						
IRS						
Forecast	11.1	10.9	15.0	15.0	12.0	10.5
Outcome	12.4	14.5	16.5	13.5	12.7	10.0
Difference	-1.2	-3.7	-1.5	1.5	-0.7	0.5
IRL						
Forecast	0.0	10.8	13.0	11.8	10.5	8.8
Outcome	10.9	10.8	11.1	10.7	11.7	11.4
Difference	-10.9	0.1	1.9	1.1	-1.1	-2.7
Fiscal policy						
CGV						
Forecast	3.5	2.6	3.6	3.2	2.4	2.8
Outcome	5.3	3.9	3.8	4.3	3.4	3.7
Difference	-1.8	-1.3	-0.1	-1.1	-1.0	-0.9
IGV						
Forecast	1.9	2.0	-1.5	-0.2	1.3	3.3
Outcome	5.6	6.1	-2.5	2.5	1.5	3.8
Difference	-3.6	-4.1	1.0	-2.7	-0.3	-0.5
TYH (per cent of YRH)						
Forecast	16.5	17.2	17.5	17.4	17.5	17.7
Outcome	16.5	16.5	17.0	17.3	18.3	17.2
Difference	-0.1	0.8	0.5	0.1	-0.8	0.4

AUSTRIA

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	1.1	1.8	0.0	2.4	2.3	3.5
Outcome	-1.2	3.5	3.5	2.9	3.3	2.4
Difference	2.3	-1.6	-3.5	-0.5	-0.9	1.1
GDPV						
Projection	1.8	1.0	0.9	3.0	2.2	2.6
Outcome	1.1	2.1	2.0	3.0	1.7	1.3
Difference	0.7	-1.2	-1.1	0.0	0.5	1.3
PGDP						
Projection	5.3	4.5	4.7	3.8	3.0	2.6
Outcome	6.6	3.7	4.8	3.3	4.1	2.5
Difference	-1.2	0.7	-0.1	0.6	-1.1	0.1
PCP						
Projection	6.0	4.3	5.1	3.9	2.7	2.0
Outcome	6.5	3.1	5.7	3.4	1.9	0.9
Difference	-0.4	1.2	-0.6	0.5	0.8	1.1
UNR						
Projection	2.9	4.7	5.6	4.0	4.4	4.3
Outcome	3.5	4.1	4.1	3.6	3.1	3.7
Difference	-0.6	0.6	1.5	0.4	1.3	0.6
Current balance (per cent of GDP)						
Projection	-3.9	-1.1	1.4	0.0	0.4	-0.3
Outcome	0.7	0.3	-1.2	0.0	0.0	-0.1
Difference	-4.7	-1.4	2.6	0.0	0.4	-0.3
Market growth						
Projection	4.2	1.4	4.0	7.7	4.8	4.0
Outcome	0.5	2.5	8.2	5.7	3.4	5.9
Difference	3.7	-1.1	-4.3	1.9	1.5	-1.9

AUSTRIA (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.1	0.1	0.1	0.0	0.1	0.1
Outcome	0.1	0.1	0.1	0.0	0.1	0.1
Difference	8.5	0.7	8.7	-0.4	-17.1	-12.7
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	-0.5	0.4	-6.1
Outcome	-8.4	-10.9	-5.3	2.7	-24.7	-0.6
Difference	8.0	9.5	2.6	-3.2	25.0	-5.5
Monetary policy						
IRS						
Forecast	9.2	7.5	4.7	6.6	5.2	4.5
Outcome	8.8	5.4	6.5	6.2	5.3	4.5
Difference	0.4	2.1	-1.8	0.4	-0.1	0.0
IRL						
Forecast	0.0	8.9	7.8	8.2	6.8	6.6
Outcome	9.9	8.1	8.0	7.7	7.2	6.8
Difference	-9.9	0.8	-0.2	0.5	-0.4	-0.2
Fiscal policy						
CGV						
Forecast	1.9	1.9	1.7	1.9	1.5	1.5
Outcome	2.0	2.0	0.9	2.1	2.2	1.2
Difference	-0.1	-0.1	0.8	-0.2	-0.7	0.3
TYH (per cent of YRH)						
Forecast	14.0	14.0	12.7	12.9	13.3	13.0
Outcome	12.7	12.6	12.8	13.3	13.3	12.7
Difference	1.3	1.4	-0.1	-0.4	0.0	0.3

GREECE

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	1.5	1.1	0.8	1.9	-2.8	-1.8
Outcome	2.1	-0.4	1.0	2.3	0.3	-0.5
Difference	-0.6	1.5	-0.2	-0.4	-3.1	-1.3
GDPV						
Projection	1.6	1.0	1.2	2.3	-0.9	-0.5
Outcome	0.0	0.3	2.6	2.1	1.3	-0.5
Difference	1.6	0.7	-1.4	0.2	-2.3	0.0
PGDP						
Projection	24.0	21.0	18.0	16.8	18.6	12.6
Outcome	25.4	19.5	19.9	17.6	19.1	15.0
Difference	-1.4	1.5	-1.9	-0.8	-0.5	-2.4
PCP						
Projection	23.0	20.0	18.0	17.2	21.3	13.5
Outcome	21.7	20.2	18.0	18.6	22.5	16.0
Difference	1.3	-0.2	0.0	-1.4	-1.2	-2.5
UNR						
Projection	3.4	7.6	8.0	8.1	9.0	9.9
Outcome	5.8	7.2	8.0	8.4	7.6	7.6
Difference	-2.4	0.4	0.0	-0.3	1.4	2.3
Current balance (per cent of GDP)						
Projection	-5.8	-6.6	-5.6	-5.3	-6.3	-3.0
Outcome	-5.0	-5.4	-6.3	-10.0	-4.4	-2.7
Difference	-0.8	-1.2	0.7	4.6	-1.9	-0.3
Market growth						
Projection	7.2	2.3	4.2	7.3	2.7	2.2
Outcome	0.7	0.6	6.4	2.8	-0.7	5.2
Difference	6.5	1.6	-2.2	4.5	3.4	-3.1

GREECE (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per 1000 units)						
Forecast	17.6	13.9	10.7	8.0	5.9	6.9
Outcome	15.1	11.4	8.9	7.2	7.2	7.4
Difference	17.1	21.9	20.0	10.3	-17.5	-6.9
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	0.0	-3.6	-5.1
Outcome	-5.1	-16.0	-5.0	4.4	-15.3	-33.9
Difference	4.7	14.6	2.3	-4.4	11.8	28.8
Monetary policy						
IRS						
Forecast	0.0	20.5	19.0	8.5	19.0	17.4
Outcome	20.5	20.0	20.0	20.0	20.5	21.8
Difference	-20.5	0.5	-1.0	-11.5	-1.5	-4.4
IRL						
Forecast	0.0	16.0	15.0	8.8	16.0	15.0
Outcome	16.0	15.0	17.0	17.0	18.0	22.5
Difference	-16.0	1.0	-2.0	-8.2	-2.0	-7.5
Fiscal policy						
CGV						
Forecast	2.5	2.3	2.2	2.6	0.5	0.6
Outcome	1.0	2.5	3.9	2.3	0.0	2.2
Difference	1.5	-0.2	-1.7	0.3	0.5	-1.6
TYH (per cent of YRH)						
Forecast	5.0	8.7	6.3	6.2	6.4	5.6
Outcome	4.9	5.3	5.0	4.5	5.0	5.4
Difference	0.1	3.4	1.3	1.7	1.4	0.2

ICELAND

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	-0.1	-6.6	-4.3	0.7	0.9	1.9
Outcome	1.2	-10.5	5.6	2.7	3.8	13.6
Difference	-1.3	3.8	-9.9	-2.0	-2.9	-11.7
GDPV						
Projection	1.0	-2.3	-2.7	1.5	1.2	2.0
Outcome	-3.1	-5.5	2.5	2.8	6.2	6.5
Difference	4.0	3.2	-5.3	-1.3	-5.0	-4.4
PGDP						
Projection	33.0	55.0	23.8	13.0	32.3	12.0
Outcome	54.0	79.8	26.0	33.5	25.8	21.4
Difference	-21.0	-24.8	-2.2	-20.5	6.5	-9.4
PCP						
Projection	40.0	55.0	26.0	14.0	31.4	12.7
Outcome	54.0	81.4	29.0	32.5	21.3	18.5
Difference	-14.0	-26.4	-3.0	-18.5	10.1	-5.8
UNR						
Projection	0.1	1.1	1.9	1.1	0.9	1.0
Outcome	0.7	1.1	1.3	1.1	0.8	0.8
Difference	-0.6	0.0	0.6	0.0	0.1	0.2
Current balance (per cent of GNP/GDP)						
Projection	0.2	-9.5	-1.7	-5.4	-4.1	-2.8
Outcome	-10.4	-2.5	-5.3	-5.0	-1.1	-2.6
Difference	10.7	-7.0	3.6	-0.5	-3.0	-0.1
Market growth						
Projection	4.7	2.1	5.1	7.6	5.9	5.4
Outcome	1.1	5.9	11.4	7.5	8.1	8.9
Difference	3.6	-3.8	-6.2	0.2	-2.2	-3.5

ICELAND (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per 1000 units)						
Forecast	1.3	53.5	32.7	26.4	24.1	23.8
Outcome	84.0	40.9	31.7	24.1	23.7	23.8
Difference	-98.5	30.8	3.0	9.6	1.4	0.0
PMED (oil prices)						
Forecast	0.6	-1.3	-2.7	-0.8	-2.4	-6.2
Outcome	-4.7	-7.5	-0.3	-3.6	-29.1	35.3
Difference	5.2	6.1	-2.4	2.7	26.6	-41.4
Monetary policy						
IRS						
Forecast	0.0	0.0	0.0	18.0	0.0	24.8
Outcome	0.0	40.3	30.0	24.8	32.9	24.0
Difference	0.0	-40.3	-30.0	-6.8	-32.9	0.8
IRL						
Forecast	0.0	0.0	0.0	18.0	0.0	25.0
Outcome	0.0	40.3	30.0	36.5	30.3	26.0
Difference	0.0	-40.3	-30.0	-18.5	-30.3	-1.0
Fiscal policy						
CGV						
Forecast	1.0	0.0	-2.0	1.0	1.0	1.7
Outcome	2.0	3.0	0.0	4.5	6.5	4.0
Difference	-1.0	-3.0	-2.0	-3.5	-5.5	-2.3
IGV						
Forecast	-10.0	-6.0	-6.0	-0.5	-9.0	6.0
Outcome	-7.1	-15.7	-1.1	-9.0	-4.6	7.2
Difference	-2.9	9.7	-4.9	8.5	-4.4	-1.2
TYH (per cent of YRH)						
Forecast	5.0	5.0	5.0	5.0	5.0	5.0
Outcome	5.0	5.0	5.0	5.0	5.0	5.0
Difference	0.0	0.0	0.0	0.0	0.0	0.0

IRELAND

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	0.7	0.7	-1.1	1.3	1.4	2.4
Outcome	-3.5	-2.8	0.7	-0.4	0.8	-0.5
Difference	4.2	3.5	-1.8	1.8	0.6	2.9
GDPV						
Projection	2.4	1.8	1.0	3.4	2.3	2.1
Outcome	1.2	0.6	2.3	0.2	-1.6	3.1
Difference	1.2	1.2	-1.3	3.2	3.9	-1.0
PGDP						
Projection	18.3	12.4	8.0	6.0	5.7	4.0
Outcome	16.1	10.6	6.5	6.1	7.4	4.0
Difference	2.2	1.8	1.5	-0.1	-1.8	0.0
PCP						
Projection	18.8	12.5	9.0	7.0	5.1	3.5
Outcome	17.1	9.7	8.5	4.2	3.6	3.0
Difference	1.7	2.8	0.5	2.8	1.6	0.5
UNR						
Projection	9.3	12.1	16.3	16.4	16.8	18.1
Outcome	10.7	14.1	15.5	17.3	17.4	18.7
Difference	-1.4	-1.9	0.7	-0.9	-0.6	-0.6
Current balance (per cent of GNP)						
Projection	-10.0	-7.4	-1.8	-4.0	-2.1	-2.2
Outcome	-7.5	-6.0	-5.8	-3.5	-2.0	1.7
Difference	-2.5	-1.4	4.0	-0.6	0.0	-3.8
Market growth						
Projection	7.4	3.3	4.9	7.5	6.3	6.1
Outcome	3.9	7.5	10.9	7.5	6.6	8.7
Difference	3.5	-4.2	-6.0	0.1	-0.3	-2.6

IRELAND (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	1.6	1.3	1.2	1.1	1.2	1.3
Outcome	1.4	1.2	1.1	1.1	1.3	1.5
Difference	11.0	7.7	9.3	-1.1	-11.8	-11.1
PMED (oil prices)						
Forecast	-0.4	-1.3	-4.1	0.0	3.0	-10.6
Outcome	-1.6	-8.0	-4.6	-3.1	-28.0	2.6
Difference	1.2	6.6	0.5	3.1	31.0	-13.1
Monetary policy						
IRS						
Forecast	17.5	15.0	14.3	9.0	7.5	9.0
Outcome	17.9	14.5	12.0	11.5	12.4	10.4
Difference	-0.5	0.5	2.3	-2.5	-4.9	-1.4
IRL						
Forecast	0.0	-0.2	-0.1	10.0	12.7	10.0
Outcome	-0.2	13.0	12.0	12.6	12.0	11.3
Difference	0.2	-13.2	-12.1	-2.6	0.6	-1.3
Fiscal policy						
CGV						
Forecast	-0.4	-1.5	-3.0	-0.3	0.9	1.6
Outcome	3.3	0.0	-1.2	0.8	3.2	-3.0
Difference	-3.8	-1.5	-1.8	-1.1	-2.3	4.6
TYH (per cent of YRH)						
Forecast	17.1	21.5	15.1	14.6	14.9	15.6
Outcome	13.2	13.3	14.8	15.0	15.4	16.2
Difference	3.9	8.2	0.3	-0.4	-0.5	-0.6

NETHERLANDS

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	-0.6	-2.0	-0.3	0.8	2.5	2.2
Outcome	-0.6	0.4	0.9	2.3	3.9	2.7
Difference	0.0	-2.4	-1.2	-1.5	-1.5	-0.5
GDPV						
Projection	0.4	-1.4	1.3	1.8	1.9	1.5
Outcome	-1.6	0.4	1.7	1.8	2.4	2.5
Difference	2.0	-1.8	-0.3	0.0	-0.5	-1.0
PGDP						
Projection	6.4	4.2	2.4	2.0	1.5	-0.7
Outcome	5.7	1.9	2.6	1.9	0.7	-1.3
Difference	0.7	2.3	-0.2	0.1	0.8	0.6
PCP						
Projection	5.7	4.2	3.3	2.2	1.6	-0.5
Outcome	5.7	2.9	2.5	2.6	0.0	-0.1
Difference	0.0	1.3	0.7	-0.4	1.6	-0.4
UNR						
Projection	10.1	15.3	15.9	15.4	13.9	12.9
Outcome	10.0	15.0	15.4	14.3	13.2	12.6
Difference	0.1	0.3	0.5	1.1	0.7	0.3
Current balance (per cent of GDP)						
Projection	3.4	5.3	4.9	4.2	4.7	3.4
Outcome	2.3	2.6	4.0	4.2	2.8	1.5
Difference	1.1	2.7	1.0	0.0	1.9	1.9
Market growth						
Projection	5.3	2.0	4.2	7.3	5.1	5.0
Outcome	1.7	2.7	8.1	5.8	5.8	7.6
Difference	3.6	-0.7	-3.9	1.5	-0.7	-2.7

NETHERLANDS (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.4	0.4	0.3	0.3	0.3	0.4
Outcome	0.4	0.4	0.3	0.3	0.4	0.5
Difference	7.7	3.2	9.2	-0.1	-17.1	-12.9
PMED (oil prices)						
Forecast	-0.4	-1.7	-2.7	0.3	-0.6	-5.6
Outcome	-7.4	-14.5	-4.7	-2.4	-39.5	9.8
Difference	6.9	12.8	2.0	2.7	38.9	-15.4
Monetary policy						
IRS						
Forecast	11.4	7.0	4.9	6.0	4.9	5.0
Outcome	7.9	4.7	6.0	6.2	5.5	5.2
Difference	3.5	2.3	-1.1	-0.2	-0.6	-0.2
IRL						
Forecast	8.7	8.5	6.8	8.3	6.6	5.9
Outcome	9.9	8.6	8.3	7.4	6.3	6.4
Difference	-1.2	-0.1	-1.6	0.9	0.3	-0.5
Fiscal policy						
CGV						
Forecast	0.0	0.8	-1.7	0.0	0.5	-0.7
Outcome	0.7	1.0	-1.6	1.1	1.8	0.8
Difference	-0.7	-0.2	-0.1	-1.1	-1.3	-1.5
IGV						
Forecast	0.0	-2.5	-4.0	-1.0	-0.2	-3.1
Outcome	-7.2	-2.5	5.8	-4.3	-8.8	0.1
Difference	7.2	0.0	-9.8	3.3	8.6	-3.2
TYH (per cent of YRH)						
Forecast	14.3	11.5	10.4	10.6	9.7	10.5
Outcome	11.4	10.5	10.1	10.1	10.5	10.6
Difference	3.0	1.0	0.2	0.6	-0.9	-0.1

NEW ZEALAND

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	2.1	-0.2	-1.0	-3.6	-0.8	0.4
Outcome	-0.2	0.7	6.6	0.6	1.6	1.5
Difference	2.3	-0.9	-7.6	-4.2	-2.4	-1.1
GDPV						
Projection	1.3	0.5	0.1	-0.4	0.4	0.6
Outcome	0.5	3.8	4.8	1.2	1.0	0.2
Difference	0.8	-3.3	-4.7	-1.6	-0.6	0.4
PGDP						
Projection	16.5	12.0	6.0	8.5	11.3	9.7
Outcome	11.5	3.6	9.3	13.1	16.3	14.2
Difference	5.0	8.4	-3.3	-4.6	-5.0	-4.5
PCP						
Projection	16.5	12.0	5.8	9.5	12.3	10.5
Outcome	15.4	5.1	8.7	15.2	13.2	15.7
Difference	1.1	6.9	-2.9	-5.7	-0.9	-5.2
UNR						
Projection	6.6	5.7	8.3	7.5	4.7	5.8
Outcome	5.3	6.4	3.7	3.9	4.6	6.0
Difference	1.3	-0.7	4.6	3.6	0.1	-0.2
Current balance (per cent of GDP)						
Projection	-4.5	-8.2	-3.5	-5.9	-3.8	-3.7
Outcome	-8.2	-5.4	-6.3	-4.9	-5.4	-3.8
Difference	3.7	-2.7	2.8	-1.0	1.6	0.1
Market growth						
Projection	8.6	3.1	7.7	9.4	2.9	3.0
Outcome	0.3	-1.9	18.5	7.0	2.8	7.0
Difference	8.3	5.0	-10.7	2.4	0.0	-3.9

NEW ZEALAND (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.8	0.7	0.7	0.5	0.5	0.5
Outcome	0.8	0.7	0.6	0.5	0.5	0.6
Difference	5.0	6.5	14.9	-0.4	5.3	-14.9
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	-0.3	1.1	-5.4
Outcome	-4.1	8.0	-8.9	-5.1	-27.7	-1.2
Difference	3.7	-9.3	6.2	4.8	28.9	-4.2
Monetary policy						
IRS						
Forecast	0.0	0.0	0.0	0.0	0.0	12.0
Outcome	0.0	0.0	0.0	20.3	18.3	17.4
Difference	0.0	0.0	0.0	-20.3	-18.3	-5.4
IRL						
Forecast	0.0	0.0	0.0	0.0	0.0	14.0
Outcome	0.0	0.0	0.0	17.9	16.5	15.5
Difference	0.0	0.0	0.0	-17.9	-16.5	-1.5
Fiscal policy						
CGV						
Forecast	0.0	0.2	0.2	-1.0	1.1	0.5
Outcome	-2.7	0.3	3.7	0.4	4.1	0.5
Difference	2.7	-0.1	-3.5	-1.4	-3.0	0.0
IGV						
Forecast	0.0	16.0	-18.0	-3.5	-8.8	0.5
Outcome	22.9	2.3	-18.2	23.6	-7.5	-3.8
Difference	-22.9	13.7	0.2	-27.1	-1.3	4.3
TYH (per cent of YRH)						
Forecast	18.0	12.6	6.2	12.0	24.8	5.0
Outcome	11.9	1.4	23.0	28.3	26.8	25.2
Difference	6.1	11.2	-16.8	-16.3	-2.0	-20.2

NORWAY

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	2.4	1.8	1.4	3.2	3.6	-0.6
Outcome	3.0	-0.7	4.2	2.7	9.0	-2.1
Difference	-0.6	2.5	-2.8	0.4	-5.4	1.5
GDPV						
Projection	0.0	0.4	-0.4	1.3	2.3	2.1
Outcome	-0.5	3.2	3.8	4.2	4.4	1.6
Difference	0.6	-2.7	-4.2	-2.9	-2.1	0.5
PGDP						
Projection	9.6	10.0	5.5	5.5	3.0	3.8
Outcome	11.0	7.1	7.2	5.5	-1.5	6.7
Difference	-1.4	2.9	-1.7	0.0	4.5	-2.9
PCP						
Projection	10.2	10.9	6.5	5.8	5.9	8.1
Outcome	11.9	8.6	6.6	5.8	7.2	8.1
Difference	-1.7	2.3	-0.1	0.0	-1.3	0.0
UNR						
Projection	1.9	2.7	3.7	3.0	2.3	2.2
Outcome	2.5	3.3	3.0	2.5	2.0	2.2
Difference	-0.6	-0.6	0.8	0.4	0.3	0.0
Current balance (per cent of GDP)						
Projection	0.9	-1.1	0.8	4.4	1.5	-8.3
Outcome	1.5	4.1	5.9	5.2	-6.4	-5.0
Difference	-0.6	-5.2	-5.1	-0.8	7.9	-3.3
Market growth						
Projection	5.2	1.5	5.0	7.8	5.2	4.8
Outcome	2.3	5.0	10.2	7.5	5.3	7.0
Difference	2.9	-3.5	-5.2	0.3	-0.1	-2.2

NORWAY (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.2	0.1	0.1	0.1	0.1	0.1
Outcome	0.2	0.1	0.1	0.1	0.1	0.1
Difference	8.6	0.9	10.7	-0.6	-5.9	-10.4
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	-2.4	-2.2	-4.4
Outcome	2.3	-22.6	-4.2	-2.9	-27.7	8.4
Difference	-2.7	21.3	1.5	0.6	25.5	-12.8
Monetary policy						
IRS						
Forecast	0.0	12.8	10.5	13.1	14.0	14.4
Outcome	13.6	11.8	13.0	12.3	14.5	14.4
Difference	-13.6	1.0	-2.5	0.8	-0.4	0.0
IRL						
Forecast	0.0	12.8	9.5	13.8	14.0	13.6
Outcome	13.1	12.6	12.1	12.7	13.0	13.6
Difference	-13.1	0.1	-2.6	1.1	1.0	0.0
Fiscal policy						
CGV						
Forecast	3.2	2.2	1.5	3.3	1.7	1.7
Outcome	1.0	3.7	2.0	3.4	3.1	2.7
Difference	2.2	-1.6	-0.5	-0.1	-1.4	-1.0
IGV						
Forecast	-5.8	-5.9	-1.7	1.0	4.6	1.5
Outcome	-9.6	0.6	5.2	0.9	16.1	3.1
Difference	3.8	-6.5	-6.9	0.1	-11.5	-1.6
TYH (per cent of YRH)						
Forecast	22.3	27.2	30.9	14.9	15.5	14.7
Outcome	31.8	15.9	16.7	14.6	15.1	15.3
Difference	-9.6	11.4	14.1	0.3	0.4	-0.6

PORTUGAL

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	2.4	1.6	-4.2	1.0	3.2	4.7
Outcome	3.9	-6.8	-6.6	0.2	7.9	9.9
Difference	-1.6	8.4	2.3	0.8	-4.6	-5.2
GDPV						
Projection	2.7	1.4	-1.9	1.0	2.7	3.6
Outcome	3.5	-0.1	-1.5	2.8	4.3	5.0
Difference	-0.8	1.5	-0.4	-1.7	-1.5	-1.3
PGDP						
Projection	19.3	20.7	20.4	22.0	15.2	9.5
Outcome	22.4	24.0	27.0	21.6	17.9	11.7
Difference	-3.1	-3.3	-6.6	0.4	-2.7	-2.2
PCP						
Projection	18.5	20.0	23.0	24.0	15.5	9.5
Outcome	22.5	25.5	29.3	19.8	12.0	9.5
Difference	-4.0	-5.5	-6.3	4.2	3.5	0.0
UNR						
Projection	8.5	9.2	11.8	12.0	11.5	9.9
Outcome	7.6	10.8	10.5	10.2	9.2	7.8
Difference	0.9	-1.5	1.3	1.8	2.3	2.1
Current balance (per cent of GDP)						
Projection	-6.6	-12.3	-7.2	-2.9	-1.6	3.7
Outcome	-10.9	-6.1	-2.4	1.8	4.0	1.8
Difference	4.3	-6.1	-4.8	-4.7	-5.6	1.9
Market growth						
Projection	5.6	1.5	4.4	7.4	5.4	5.1
Outcome	1.3	4.0	9.0	7.3	5.8	8.3
Difference	4.3	-2.4	-4.5	0.1	-0.4	-3.1

PORTUGAL (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per 1000 units)						
Forecast	14.3	10.6	7.4	5.7	5.6	6.6
Outcome	12.7	9.2	6.9	5.9	6.7	7.1
Difference	12.0	16.0	8.0	-3.4	-16.5	-7.7
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	-0.5	-2.3	-5.6
Outcome	-5.4	-15.0	-3.1	-4.4	-36.1	8.1
Difference	5.0	13.6	0.4	3.9	33.8	-13.7
Monetary policy						
IRS						
Forecast	..	..	29.5	27.0	25.0	15.0
Outcome	23.0	27.5	28.0	27.0	18.8	14.5
Difference	..	..	1.5	0.0	6.3	0.5
IRL						
Forecast	..	..	31.5	29.0	27.0	17.0
Outcome	25.5	29.5	30.0	29.0	22.3	18.9
Difference	..	..	1.5	0.0	4.8	-1.8
Fiscal policy						
CGV						
Forecast	4.0	5.0	0.0	2.0	2.0	1.5
Outcome	3.5	4.0	1.8	3.0	1.6	2.0
Difference	0.5	1.0	-1.8	-1.0	0.4	-0.5
TYH (per cent of YRH)						
Forecast	5.0	5.0	5.0	5.0	5.0	5.0
Outcome	5.0	5.0	5.0	5.0	4.7	4.2
Difference	0.0	0.0	0.0	0.0	0.3	0.8

SPAIN

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	1.6	1.3	1.1	1.3	2.2	4.0
Outcome	0.6	0.6	-1.0	2.5	6.2	8.1
Difference	1.1	0.6	2.1	-1.2	-4.0	-4.1
GDPV						
Projection	2.6	1.6	2.2	2.6	2.1	3.2
Outcome	1.4	2.3	2.2	2.1	3.4	5.2
Difference	1.2	-0.7	0.0	0.5	-1.4	-2.0
PGDP						
Projection	11.0	13.0	8.5	7.5	9.5	6.5
Outcome	13.3	12.0	11.3	8.8	11.1	5.7
Difference	-2.3	1.0	-2.8	-1.3	-1.6	0.8
PCP						
Projection	12.0	13.5	9.5	7.8	9.0	6.2
Outcome	14.4	12.3	11.0	8.8	8.9	5.3
Difference	-2.4	1.2	-1.5	-1.0	0.1	0.9
UNR						
Projection	15.4	17.4	18.6	21.4	22.4	21.1
Outcome	16.3	17.8	20.6	21.9	21.5	20.6
Difference	-0.9	-0.4	-2.0	-0.5	1.0	0.5
Current balance (per cent of GDP)						
Projection	-2.1	-2.7	-1.7	1.4	1.6	2.0
Outcome	-2.3	-1.7	1.4	1.6	1.8	0.1
Difference	0.2	-1.0	-3.2	-0.2	-0.2	2.0
Market growth						
Projection	5.7	1.3	4.0	7.0	3.9	3.2
Outcome	0.1	-0.1	7.1	5.1	1.7	5.9
Difference	5.5	1.4	-3.1	2.0	2.1	-2.8

SPAIN (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per 1000 units)						
Forecast	10.4	8.6	6.6	5.9	6.3	7.2
Outcome	9.1	7.0	6.2	5.9	7.2	8.1
Difference	14.2	23.5	5.8	1.0	-12.4	-10.6
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	2.1	-1.7	-0.6
Outcome	-4.2	-11.5	-3.3	-4.0	-38.7	4.7
Difference	3.8	10.1	0.6	6.1	37.0	-5.3
Monetary policy						
IRS						
Forecast	15.6	15.1	14.5	10.0	11.0	9.0
Outcome	16.3	14.0	13.0	12.0	11.7	15.8
Difference	-0.7	1.1	1.5	-2.0	-0.7	-6.8
IRL						
Forecast	0.0	12.3	12.4	13.5	12.0	9.5
Outcome	12.3	12.3	12.4	13.2	11.4	12.8
Difference	-12.3	0.0	0.0	0.3	0.6	-3.3
Fiscal policy						
CGV						
Forecast	3.0	2.5	3.0	2.5	1.1	2.6
Outcome	6.1	4.1	2.0	3.3	7.1	9.0
Difference	-3.1	-1.6	1.0	-0.8	-6.0	-6.4
IGV						
Forecast	10.0	10.0	4.0	1.1	-4.1	10.3
Outcome	14.9	21.4	-1.7	2.7	3.9	9.3
Difference	-4.9	-11.4	5.7	-1.6	-8.0	1.0
TYH (per cent of GDP)						
Forecast	3.0	3.0	3.1	6.2	6.9	5.8
Outcome	3.0	5.7	6.4	6.2	6.7	7.8
Difference	0.0	-2.7	-3.3	0.0	0.2	-1.9

SWEDEN

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	0.4	-0.7	1.8	2.1	0.2	1.7
Outcome	0.5	-0.8	2.7	3.8	1.8	3.4
Difference	-0.2	0.1	-0.9	-1.7	-1.6	-1.7
GDPV						
Projection	1.4	1.5	2.6	2.3	0.4	1.4
Outcome	0.6	2.5	3.4	2.3	1.3	2.8
Difference	0.8	-1.1	-0.8	0.0	-0.9	-1.4
PGDP						
Projection	9.4	9.7	6.0	6.0	5.5	4.0
Outcome	8.2	9.2	7.9	6.8	6.9	5.1
Difference	1.2	0.5	-1.9	-0.8	-1.4	-1.1
PCP						
Projection	10.1	12.0	5.8	5.8	5.5	3.8
Outcome	10.5	10.3	8.0	7.2	4.7	5.0
Difference	-0.4	1.7	-2.2	-1.4	0.8	-1.2
UNR						
Projection	2.2	3.6	3.3	3.3	3.0	2.8
Outcome	3.1	3.4	3.1	2.8	2.2	1.9
Difference	-0.8	0.2	0.2	0.5	0.7	0.9
Current balance (per cent of GDP)						
Projection	-2.9	-2.5	-0.2	-0.1	-0.5	1.1
Outcome	-3.6	-1.0	0.4	-1.3	0.9	-0.6
Difference	0.8	-1.5	-0.6	1.2	-1.4	1.7
Market growth						
Projection	5.3	2.2	4.8	7.3	4.8	2.7
Outcome	2.1	3.2	10.0	7.0	5.9	5.4
Difference	3.2	-1.0	-5.2	0.3	-1.2	-2.7

SWEDEN (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.2	0.1	0.1	0.1	0.1	0.1
Outcome	0.2	0.1	0.1	0.1	0.1	0.2
Difference	13.1	3.7	6.0	1.1	-9.3	-9.7
PMED (oil prices)						
Forecast	-0.3	-1.4	-2.7	-0.3	-2.9	-7.5
Outcome	-7.7	-12.5	-1.1	-4.2	-39.6	12.2
Difference	7.4	11.1	-1.6	3.9	36.7	-19.8
Monetary policy						
IRS						
Forecast	9.9	10.3	8.9	13.0	11.0	9.0
Outcome	12.6	11.3	12.5	14.1	9.8	9.4
Difference	-2.7	-1.0	-3.6	-1.1	1.2	-0.4
IRL						
Forecast	13.7	11.6	10.8	13.8	12.0	9.7
Outcome	13.0	12.3	13.5	14.7	10.3	11.5
Difference	0.7	-0.7	-2.7	-0.9	1.7	-1.8
Fiscal policy						
CGV						
Forecast	1.3	1.0	1.0	0.7	1.0	1.2
Outcome	0.9	0.9	1.9	1.5	1.7	0.7
Difference	0.4	0.1	-0.9	-0.8	-0.7	0.5
IGV						
Forecast	-4.3	-1.4	-2.0	-1.2	1.0	0.5
Outcome	-2.7	-3.8	-0.7	-4.2	-4.2	-1.5
Difference	-1.5	2.4	-1.3	3.0	5.2	2.0
TYH (per cent of GDP)						
Forecast	21.6	21.9	22.1	30.2	30.1	30.1
Outcome	22.0	30.2	29.6	30.1	22.7	23.5
Difference	-0.4	-8.3	-7.5	0.1	7.4	6.6

SWITZERLAND

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	-1.0	0.2	2.5	2.6	2.5	2.2
Outcome	-1.0	2.4	2.7	2.6	6.2	5.0
Difference	0.0	-2.3	-0.2	-0.1	-3.6	-2.8
GDPV						
Projection	0.3	0.6	2.2	2.2	2.2	1.8
Outcome	-1.2	0.7	2.1	4.0	2.7	2.5
Difference	1.5	-0.1	0.1	-1.8	-0.5	-0.7
PGDP						
Projection	4.4	4.3	2.1	2.5	2.2	2.3
Outcome	7.4	3.3	2.9	2.7	3.8	2.3
Difference	-3.0	1.0	-0.8	-0.2	-1.6	0.0
PCP						
Projection	4.7	4.2	2.5	2.5	1.5	1.3
Outcome	5.7	3.0	3.4	3.6	0.1	1.3
Difference	-1.0	1.2	-0.9	-1.1	1.4	-0.1
UNR						
Projection	0.2	0.6	0.5	0.7	0.5	0.9
Outcome	0.4	0.9	1.1	1.0	0.8	0.7
Difference	-0.2	-0.3	-0.6	-0.3	-0.3	0.2
Current balance (per cent of GDP)						
Projection	4.4	4.3	3.6	3.6	3.9	5.3
Outcome	3.7	3.7	4.2	5.6	5.0	4.1
Difference	0.7	0.7	-0.6	-2.0	-1.1	1.2
Market growth						
Projection	5.8	2.1	4.7	8.0	5.1	5.2
Outcome	1.0	3.2	9.7	5.6	5.2	7.5
Difference	4.8	-1.1	-5.0	2.3	-0.1	-2.3

SWITZERLAND (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per unit)						
Forecast	0.5	0.5	0.5	0.4	0.5	0.6
Outcome	0.5	0.5	0.4	0.4	0.6	0.7
Difference	9.2	-3.7	10.2	0.6	-16.5	-13.0
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	-0.6	-1.3	-7.2
Outcome	-2.0	-6.2	-6.6	0.0	-28.4	-6.9
Difference	1.6	4.9	3.9	-0.6	27.1	-0.3
Monetary policy						
IRS						
Forecast	9.0	1.0	2.0	3.2	2.8	4.0
Outcome	1.5	3.5	3.8	4.4	3.6	3.2
Difference	7.5	-2.5	-1.8	-1.2	-0.8	0.8
IRL						
Forecast	0.0	4.0	4.5	4.5	3.8	4.0
Outcome	4.8	4.5	4.5	4.7	4.2	4.0
Difference	-4.8	-0.5	0.0	-0.2	-0.4	0.0
Fiscal policy						
CGV						
Forecast	1.5	3.0	5.0	2.7	1.2	1.8
Outcome	1.8	4.4	1.7	2.3	2.7	1.8
Difference	-0.4	-1.4	3.3	0.4	-1.5	0.0
TYH (per cent of YRH)						
Forecast	13.0	13.0	13.0	13.0	11.7	11.6
Outcome	13.0	12.4	11.9	11.8	13.2	13.0
Difference	0.0	0.6	1.1	1.2	-1.5	-1.5

TURKEY

	1982	1983	1984	1985	1986	1987
TDDV						
Projection	4.6	3.3	3.2	4.3	4.5	3.7
Outcome	2.7	4.1	4.7	3.8	10.9	6.4
Difference	1.9	-0.9	-1.5	0.5	-6.4	-2.8
GDPV						
Projection	5.2	3.9	3.2	5.0	4.5	5.0
Outcome	4.6	3.2	5.9	5.1	8.0	7.4
Difference	0.5	0.7	-2.7	-0.1	-3.5	-2.4
PGDP						
Projection	25.3	23.0	28.1	30.0	32.9	27.0
Outcome	27.1	27.4	49.9	43.6	30.6	34.5
Difference	-1.8	-4.4	-21.8	-13.6	2.3	-7.5
PCP						
Projection	26.2	23.0	28.0	35.0	35.0	30.0
Outcome	27.2	29.9	53.0	45.5	34.0	39.0
Difference	-1.0	-6.9	-25.0	-10.5	1.0	-9.0
UNR						
Projection	17.2	19.0	17.1	16.5	13.4	13.4
Outcome	14.5	15.8	12.4	12.7	15.6	15.1
Difference	2.7	3.2	4.6	3.8	-2.2	-1.7
Current balance (per cent of GNP)						
Projection	-4.2	-1.0	-2.8	-3.6	-1.4	-2.0
Outcome	-2.0	-4.2	-2.8	-1.9	-2.6	-1.5
Difference	-2.2	3.2	0.0	-1.7	1.2	-0.5
Market growth						
Projection	5.2	1.1	3.3	6.6	0.1	-1.2
Outcome	2.5	-3.4	2.7	-0.2	-4.9	-1.4
Difference	2.7	4.5	0.7	6.9	5.0	0.2

TURKEY (cont.)

	1982	1983	1984	1985	1986	1987
EXCH (\$ per 1000 units)						
Forecast	7.8	5.1	3.4	2.1	1.4	1.2
Outcome	6.3	4.5	2.8	1.9	1.5	1.2
Difference	25.0	12.3	22.4	7.1	-3.8	-0.8
PMED (oil prices)						
Forecast	-0.4	-1.3	-2.7	-2.5	-2.8	-5.1
Outcome	-5.7	-11.4	-1.5	-2.6	-26.2	22.6
Difference	5.2	10.1	-1.1	0.1	23.4	-27.6
Monetary policy						
IRS						
Forecast	0.0	0.0	31.0	40.0	50.0	42.9
Outcome	36.0	34.0	60.0	65.0	30.0	35.0
Difference	-36.0	-34.0	-29.0	-25.0	20.0	7.9
IRL						
Forecast	0.0	0.0	36.0	40.0	45.0	39.8
Outcome	41.0	37.5	60.0	53.0	52.0	45.0
Difference	-41.0	-37.5	-24.0	-13.0	-7.0	-5.2
Fiscal policy						
CGV						
Forecast	5.2	3.5	2.5	4.0	3.5	3.0
Outcome	2.1	1.8	5.0	3.3	12.0	7.4
Difference	3.2	1.7	-2.5	0.7	-8.5	-4.4
IGV						
Forecast	7.2	4.5	3.5	5.0	3.5	7.0
Outcome	2.2	1.8	0.2	17.1	11.3	-1.2
Difference	5.0	2.7	3.3	-12.1	-7.8	8.2
TYH (per cent of YRH)						
Forecast	5.0	5.0	5.0	5.0	5.0	5.0
Outcome	5.0	5.0	5.0	5.0	5.0	5.0
Difference	0.0	0.0	0.0	0.0	0.0	0.0

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