



Office for  
**Budget  
Responsibility**

## **Fiscal Forecasting in a Risky World**

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Incoming Chair, Office for Budget Responsibility

The OBR at 10  
Society for Professional Economists Webinar  
24 September 2020

## Fiscal council mandates in advanced economies

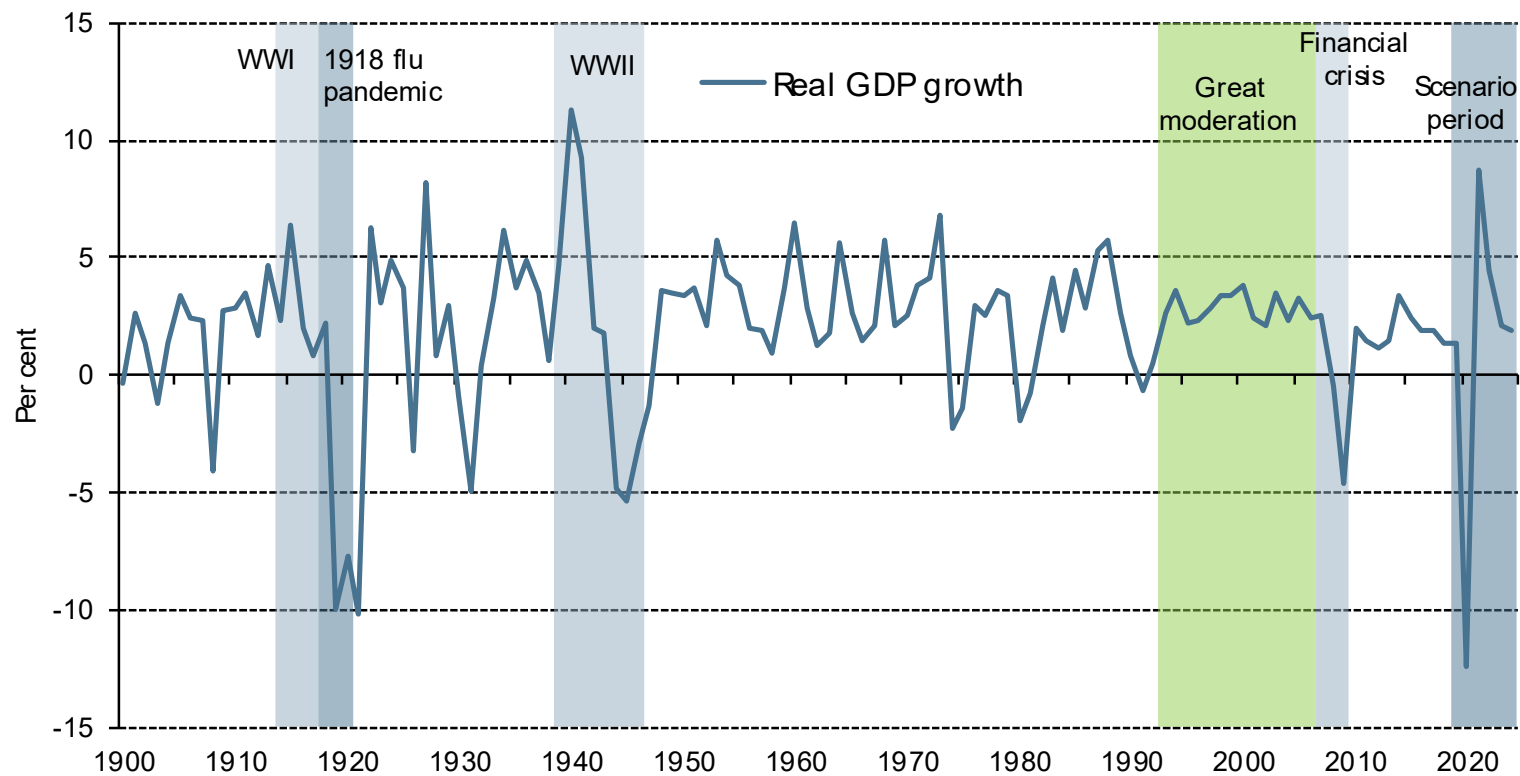
	Date of creation	Macro and fiscal forecasting	Monitoring fiscal rules	Policy costing	Long-term analysis	Fiscal risk analysis
Austria - FISK	1970	◐	●	○	●	○
Belgium - HRF/CSF	1989	○	●	○	●	○
Czech Republic - CFC	2017	◐	●	○	●	○
Denmark - DEC	1962	●	●	○	●	○
Estonia - FCE	2014	○	●	○	○	○
Finland - EFC	2014	◐	●	○	●	○
France - HCFP	2013	◐	●	○	○	○
Germany - IABSC	2010	◐	●	○	○	○
Greece - HFC	2014	◐	●	○	◐	○
Hungary - FC	2009	◐	●	○	○	○
Iceland - IFC	2016	○	●	○	○	○
Ireland - IFAC	2011	◐	●	○	○	○
Korea - NABO	2003	●	○	●	●	○
Latvia - FDC	2014	◐	●	○	◐	○
Lithuania - BPMD	2015	◐	●	○	●	○
Luxembourg - CNFP	2014	◐	●	○	●	○
Netherlands - CPB	1945	●	○	●	●	●
Portugal - CFP	2012	◐	●	○	●	○
Slovak Republic - CBR	2011	○	●	●	●	○
Slovenia - SFC	2017	○	●	○	○	○
Spain - AIREF	2014	◐	●	○	●	○
Sweden - FPC	2007	◐	●	○	●	○
UK - OBR	2010	●	●	●	●	●
US - CBO	1974	●	○	●	●	○

## Changing macroeconomic environment

GDP cycle	Date range <sup>1</sup>	Real GDP	
		Average growth rate	Standard deviation
Industrialising Economy	1700–1831	1.1	4.6
Early Victorian	1831–1871	2.5	2.6
Late Victorian	1871–1913	1.8	2.4
Two World Wars	1913–1952	1.4	4.8
Post-war	1952–1992	2.7	2.2
Great Moderation	1992–2007	2.9	0.6
Current Era	2007–2024	1.0	4.3

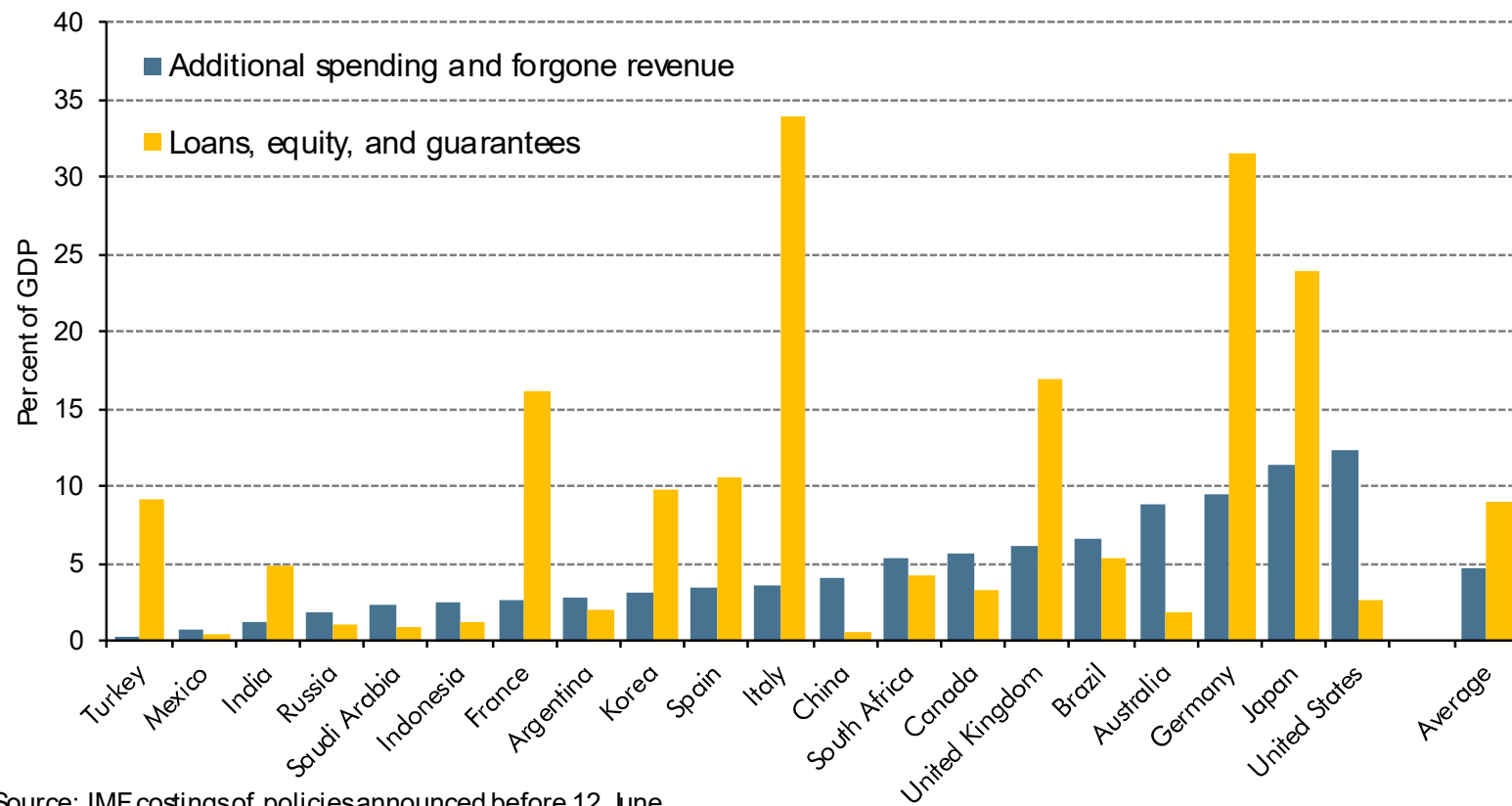
<sup>1</sup> Date ranges based on *The UK recession in context: what do three centuries of data tell us?*, Bank of England, 2010.

## Economic shocks since 1900



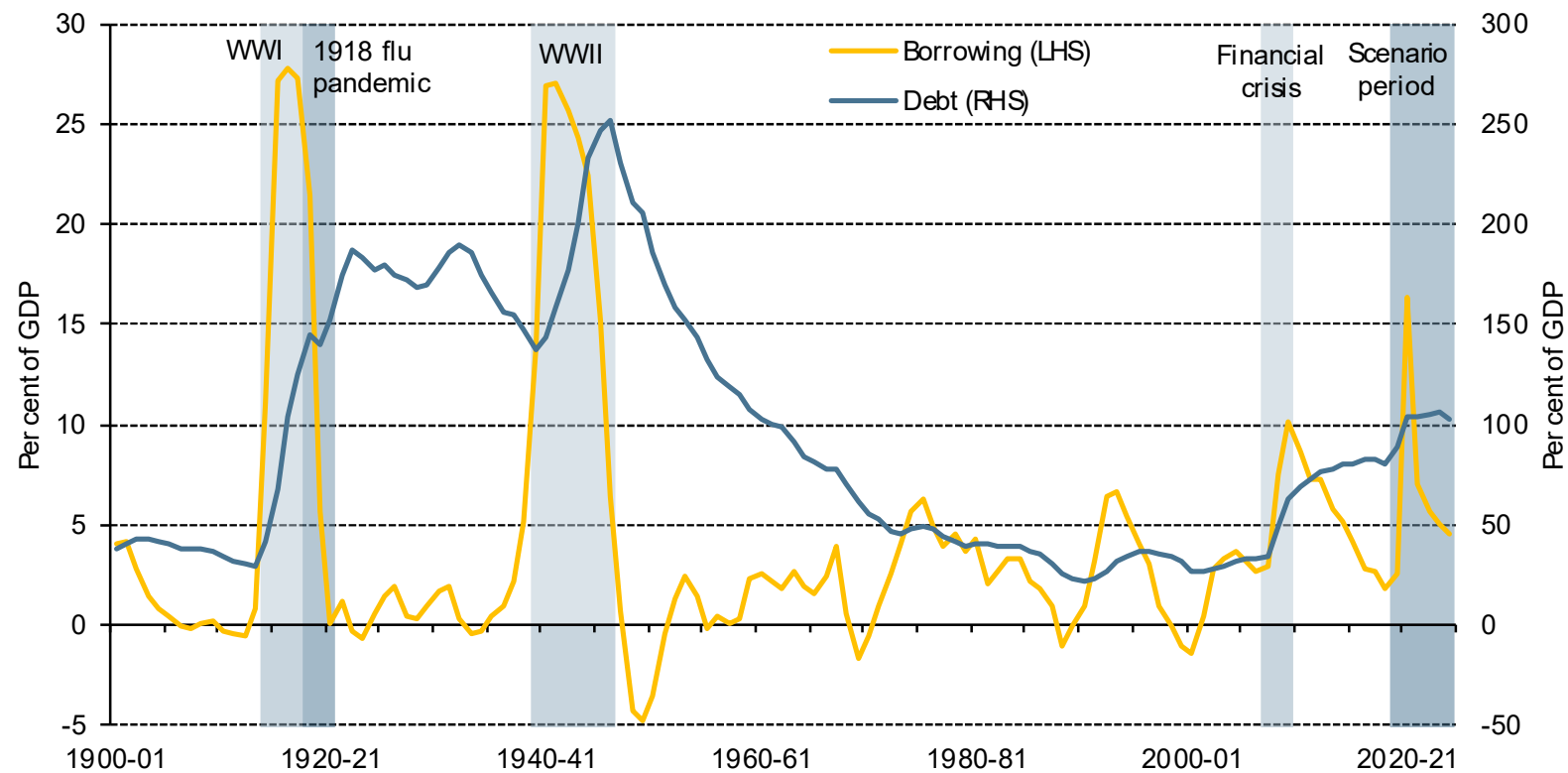
Source: Bank of England, ONS, OBR

## Fiscal policy responses to coronavirus



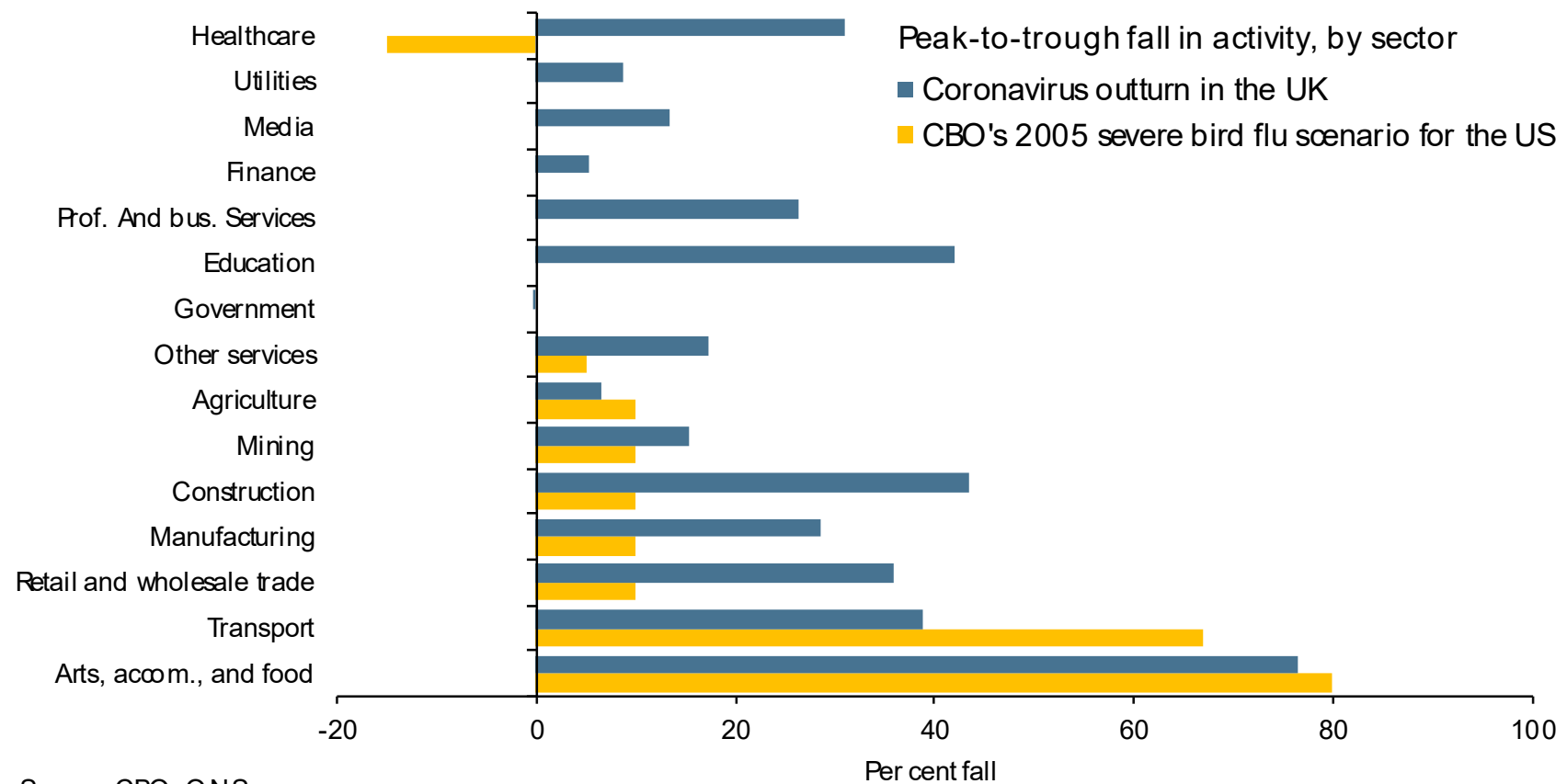
Source: IMF costings of policies announced before 12 June.

## Public sector borrowing and debt since 1900



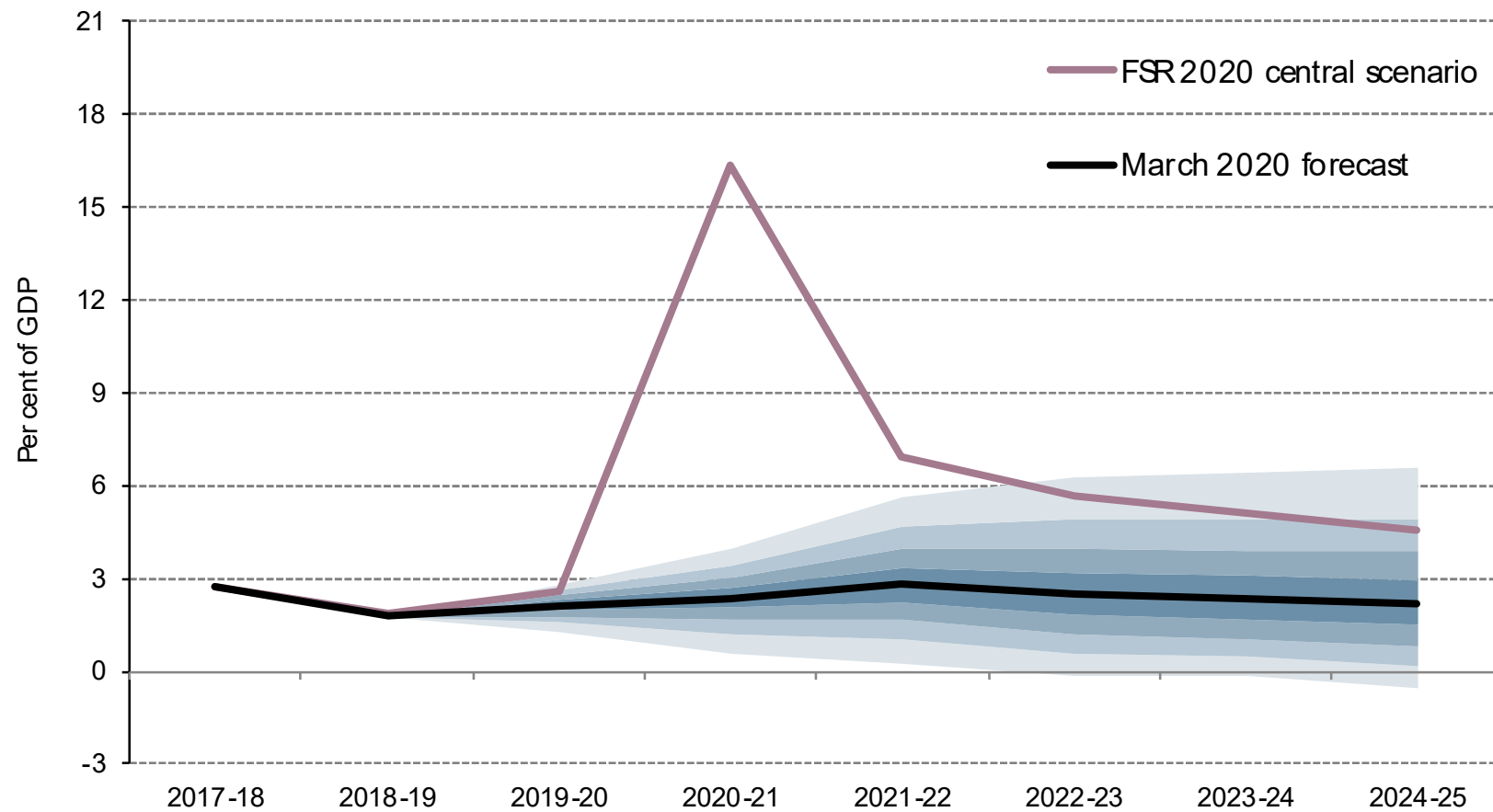
Source: Bank of England, ONS, OBR

## Sectoral impact of pandemic viruses

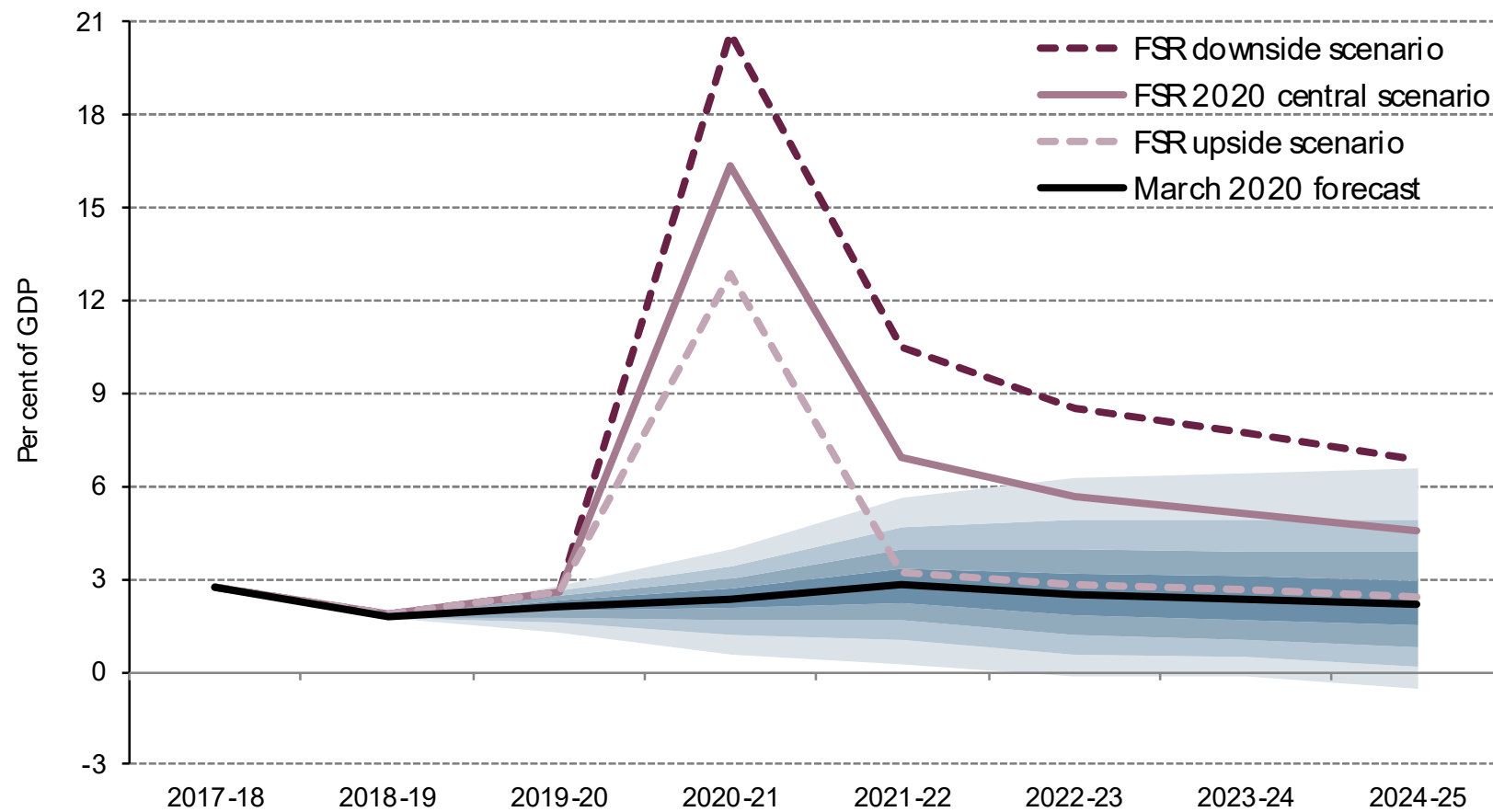


Source: CBO, ONS

## Public sector net borrowing: Fan charts vs latest forecast



## Public sector net borrowing: Fan charts vs scenarios



# Costing the fiscal policy response to coronavirus

