

21 October 2015

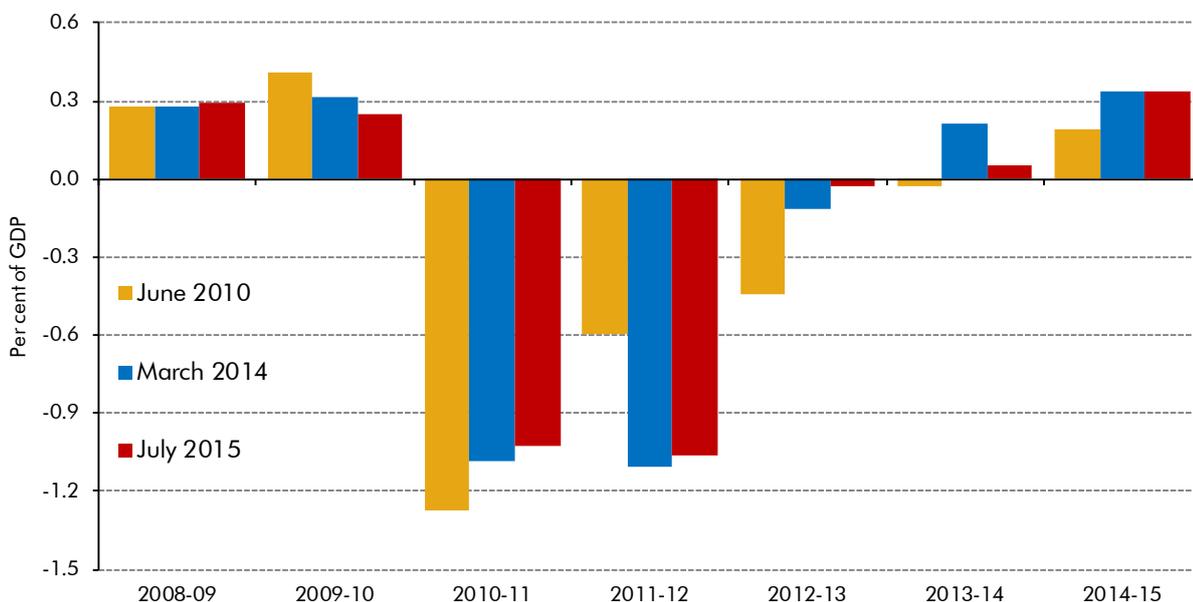
Supplementary information release

We are releasing the information below following a request for further detail underlying the October 2015 *Forecast evaluation report (FER)*. The OBR will where possible meet requests to release supplementary forecast information, where this will improve the quality of public debate on the public finances. Our full release policy can be found on our website.

In the *FER* we use the Institute for Fiscal Studies' (IFS's) estimates of the size of the government's consolidation to assess the effects of fiscal policy on GDP growth. We show how the fiscal consolidation evolves in Charts 2.9 and 2.10 of the report (relative to a 2008 Budget baseline).

We use estimates of fiscal multipliers, which unwind over time, to calculate the effect of changes to discretionary fiscal policy on growth. Chart A shows the impact of discretionary fiscal policy on GDP growth in each year between 2008-09 and 2014-15 on the basis of IFS consolidation estimates at the time of successive forecasts. With little revision to the IFS's estimates of the consolidation over the past five years, the implied effect of the consolidation on GDP over this period remains broadly unchanged from our 2014 *FER*. The estimated effect on growth in 2014-15 is a small positive of around 0.3 percentage points because the -0.4 percentage point effect of new consolidation in the year was more than offset by the +0.7 percentage point effect of previous years' consolidation effects unwinding.

Chart A: Implied impacts of discretionary fiscal policy on GDP growth



Source: OBR

Table A: Implied impacts of discretionary fiscal policy on GDP growth

	Per cent of GDP						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
June 2010	0.3	0.4	-1.3	-0.6	-0.4	0.0	0.2
March 2014	0.3	0.3	-1.1	-1.1	-0.1	0.2	0.3
July 2015	0.3	0.3	-1.0	-1.1	0.0	0.1	0.3