

## Summary\*

This Working Paper analyses the validity of economic forecasts for Slovenia prepared by different institutions for the period from 1997 to 2004. We find that the IMAD's forecasts of the economic variables are relatively good. Errors in the IMAD's forecasts for 2004 were low – as a rule, they were lower than errors established in the estimates of other forecasters, although the differences between them were small. Further, the IMAD also had low accuracy measures, indicating that its forecasts in the analysed period were comparatively successful. While the normalised accuracy measures of forecasts for Slovenia released by other domestic and foreign forecasting institutions generally have higher values, the deviations are, for the most part, negligible.

For two key economic categories, economic growth and inflation, we also present the accuracy measures of forecasts made by the European Commission for the EU 12 as a whole and separately for its individual countries. The accuracy measures calculated for the IMAD's forecasts come close to those calculated for the European Commission's forecasts when using short-term data (from 1997 to 2001).

**Key words:** validity of economic forecasts, forecast accuracy measures

\*Since 2002, the IMAD regularly publishes a statistical validity assessment of its inflation and economic growth forecasts (in the Spring Report; see <http://www.sigov.si/zmar/apublic/aanaliza/aspom105/sr05.pdf#5>).