

Follow us

E-mail Alerts

Blogs



[OECD Home](#) > [Economy](#) > [Economic outlook, analysis and forecasts](#) > OECD forecasts during and after the financial crisis: a post mortem

Economic outlook, analysis and forecasts

Economic outlook, analysis and forecasts

> Economic surveys and country surveillance

> Monetary and financial issues

> Public finance and fiscal policy

> Productivity and long term growth

> Regulatory reform and competition policy

> Labour markets, human capital and inequality

> Economic policies to foster green growth

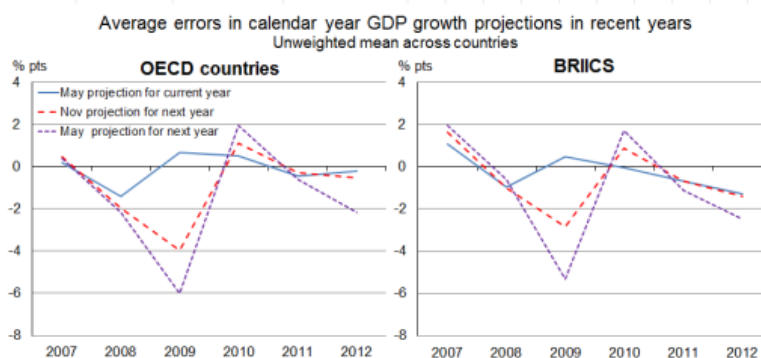
OECD forecasts during and after the financial crisis: a post mortem

[Send](#) [Print](#) [Tweet](#)

[OECD forecasts during and after the financial crisis: a post mortem](#), OECD Economics Department Policy Note, No. 23

[Presentation](#) by Chief Economist Pier Carlo Padoan at the London School of Economics and hosted by Bloomberg in London on 11 February 2014.

[Press release](#): Economic crisis provides lessons for new approaches to forecasting, says OECD.



Note: Errors are calculated as actual growth less projected growth at each forecast horizon, where actual growth is the published outturn as at May the following year. A negative (positive) error indicates over(under)-prediction.

Main Findings

- GDP growth was overestimated on average across 2007-12, reflecting not only errors at the height of the financial crisis but also errors in the subsequent recovery.
- Forecast errors were larger in countries that are more open to external developments and hence exposed to shocks from other economies.
- Larger forecast errors over 2007-12 have occurred in countries with more stringent pre-crisis labour and product market regulations.
- Growth in the recovery has been weaker relative to predictions in countries in which banks had low capital ratios pre-crisis.
- Stronger projected fiscal consolidation has been associated with weaker-than-projected growth, but this conclusion holds only in some years, and only when Greece is included. The repeated assumption that the euro crisis would dissipate over time, and that sovereign bond yield differentials would narrow, has been a more important source of error.
- The forecasting experience in the wake of the crisis has led to a number of changes in forecasting procedures and communication – in the OECD as well as in other forecasting institutions.

>> Visit the OECD initiative on "[New Approaches to Economic Challenges](#)" (NAEC) webpage

>> See all [Policy Notes](#)

>> See all [Economics Department Working Papers](#)



[© OECD. All rights reserved](#)

[Terms and Conditions](#)

[Privacy Policy](#)

[MyOECD](#)

[Site Map](#)

[Contact Us](#)