

Appendix 3

Baseline macroeconomic and inflation forecasts 2007/1

Table 1 Macroeconomic forecast

	B.kr.	Volume change on previous year (%) unless otherwise stated ¹			
		Forecast			
GDP and its main components ¹	2006	2006	2007	2008	2009
Private consumption	686.5	4.6 (6.0)	0.2 (0.5)	-4.1 (-3.0)	-5.7 (.)
Public consumption	280.7	2.9 (2.2)	3.0 (3.0)	3.0 (2.7)	3.0 (.)
Gross fixed capital formation	365.6	13.0 (9.1)	-22.4 (-28.3)	-22.7 (-4.7)	-5.8 (.)
Business sector investment	255.6	13.8 (7.8)	-30.8 (-38.9)	-38.9 (-11.1)	-10.8 (.)
Residential construction	74.8	17.2 (13.8)	-4.6 (-4.9)	-8.9 (-7.4)	-8.7 (.)
Public works and buildings	35.2	0.8 (3.1)	-2.1 (4.2)	39.7 (30.0)	9.6 (.)
National expenditure	1,346.1	7.4 (6.2)	-5.6 (-6.6)	-6.9 (-2.3)	-3.8 (.)
Exports of goods and services	372.2	-5.6 (-2.9)	9.6 (13.5)	16.7 (14.2)	4.5 (.)
Imports of goods and services	576.5	8.8 (4.6)	-10.4 (-9.9)	-5.1 (0.6)	-2.3 (.)
Gross domestic product	1,141.7	2.6 (4.0)	0.8 (1.4)	0.7 (2.8)	-1.0 (.)
<i>Other key aggregates</i>					
Current account balance (% of GDP)		-26.7 (-20.8)	-15.7 (-11.7)	-11.4 (-8.0)	-11.3 (.)
Output gap (% of GDP)		3.2 (3.3)	1.0 (1.8)	0.3 (3.1)	-2.0 (.)
Unit labour cost (change between annual averages in %)		8.9 (8.2)	6.8 (7.7)	3.9 (4.0)	3.8 (.)
Real earnings (change between annual averages in %)		6.5 (2.8)	4.7 (3.8)	-2.8 (-0.7)	-3.1 (.)
Unemployment (% of labour force)		1.3 (1.4)	2.0 (2.0)	3.5 (3.4)	4.8 (.)
<i>Policy rate and exchange rate</i>					
Central Bank policy interest rate (%)		12.6 (12.6)	14.2 (11.6)	12.0 (8.2)	7.0 (.)
Foreign exchange index (Dec. 31. 1991 = 100)		121.4 (122.6)	121.0 (126.7)	120.8 (127.9)	125.4 (.)

1. Figures in parentheses show forecast in *Monetary Bulletin* 2006/3, which assumed a policy rate path based on market agents' and financial analysts' expectations.

Table 2 Inflation forecast

Quarter	Change on same period of previous year (%)		Annualised quarterly change (%)
	Forecast MB 2007/1	Forecast 2006/3	Forecast MB 2007/1
	Measured value		
2006:1	4.5	4.5	4.5
2006:2	7.5	7.5	14.3
2006:3	8.0	8.0	7.5
2006:4	7.1	7.6	2.3
	Forecast value		
2007:1	6.4	7.9	1.9
2007:2	3.5	4.1	2.4
2007:3	2.0	3.4	1.4
2007:4	1.7	3.4	1.3
2008:1	2.0	2.8	2.8
2008:2	2.4	4.1	3.9
2008:3	2.3	4.3	1.3
2008:4	2.4	4.4	1.6
2009:1	2.6	...	3.5
2009:2	2.7	...	4.4
2009:3	2.6	...	0.9
2009:4	2.5	...	1.3
Change year-on-year	Forecast MB 2007/1	Forecast MB 2006/3	
2006	6.8	6.9	
2007	3.4	4.6	
2008	2.3	3.9	
2009	2.6	...	

1. The forecast in *Monetary Bulletin* 2006/3 assumes a policy rate path based on market agents' and financial analysts' expectations.