

Appendix 1

Baseline macroeconomic and inflation forecast 2009/1

Table 1 Macroeconomic forecast¹

	B.kr.	Volume change on previous year (%) unless otherwise stated				
		Forecast				
	2007	2007	2008	2009	2010	2011
<i>GDP and its main components</i>						
Private consumption	749.0	4.3 (4.3)	-6.7 (-7.6)	-25.2 (-24.8)	-4.3 (-3.8)	5.5 (9.9)
Public consumption	316.8	4.2 (4.2)	3.5 (3.5)	1.5 (2.9)	1.8 (2.9)	1.7 (2.9)
Gross fixed capital formation	356.9	-13.7 (-13.7)	-23.5 (-19.2)	-28.9 (-20.2)	10.8 (6.9)	-1.6 (-21.2)
Business sector investment	211.6	-26.0 (-26.0)	-29.0 (-21.7)	-31.9 (26.2)	27.7 (21.1)	-5.7 (-31.6)
Residential construction	90.6	13.2 (13.2)	-30.5 (-32.4)	-24.3 (-24.4)	-14.3 (-10.4)	6.4 (13.3)
Public works and buildings	54.7	19.2 (19.2)	10.6 (11.4)	-25.2 (1.4)	-8.0 (-12.9)	5.5 (-13.5)
National expenditure	1,429.4	-1.4 (-1.4)	-8.7 (-8.3)	-20.3 (-17.6)	0.4 (0.6)	3.0 (0.8)
Exports of goods and services	451.7	18.1 (18.1)	10.3 (9.6)	0.4 (-0.5)	4.9 (2.6)	4.2 (5.5)
Imports of goods and services	587.9	-1.4 (-1.4)	-16.5 (-16.8)	-26.9 (-24.5)	10.7 (10.6)	2.2 (-0.1)
Gross domestic product	1,293.2	4.9 (4.9)	2.0 (1.8)	-9.9 (-8.3)	-0.8 (-1.7)	3.8 (3.2)
<i>Other key aggregates</i>						
Trade balance (% of GDP)		-10.5 (-10.5)	-1.4 (-1.6)	9.7 (9.3)	8.2 (6.6)	9.3 (8.5)
Current account balance (% of GDP)		-15.4 (-15.4)	-21.2 (-16.3)	0.1 (-1.3)	0.2 (-2.0)	4.8 (3.4)
Output gap (% of potential output)		3.2 (3.2)	2.8 (3.1)	-5.8 (-4.7)	-5.5 (-5.8)	-2.5 (-4.2)
Unit labour cost (change between annual averages in %)		6.8 (6.8)	8.4 (7.1)	3.8 (6.3)	2.9 (4.4)	2.1 (2.4)
Real earnings (change between annual averages in %)		8.0 (8.0)	-6.7 (-8.2)	-17.1 (-13.7)	4.7 (5.6)	6.3 (8.1)
Unemployment (% of labour force)		1.0 (1.0)	1.7 (1.4)	9.4 (6.3)	9.8 (8.1)	6.7 (5.1)
EURISK exchange rate		87.4 (87.4)	127.0 (124.6)	146.6 (141.1)	138.0 (129.7)	140.8 (133.0)

1. Figures in parentheses show forecast in *Monetary Bulletin* 2008/3.

Table 2 Inflation forecast (%)²

Quarter	Inflation (Change on same period of previous year)	Annualised quarterly inflation	
		Measured value	
2007:1	6.5 (6.5)	2.0 (2.0)	
2007:2	4.4 (4.4)	5.8 (5.8)	
2007:3	3.9 (3.9)	5.6 (5.6)	
2007:4	5.4 (5.4)	8.3 (8.3)	
2008:1	7.0 (7.0)	8.2 (8.2)	
2008:2	12.0 (12.0)	27.0 (27.0)	
2008:3	13.7 (13.7)	12.1 (12.1)	
2008:4	16.8 (19.1)	20.5 (30.7)	
		Forecast value	
2009:1	18.5 (22.7)	14.9 (21.7)	
2009:2	14.3 (17.0)	9.8 (5.0)	
2009:3	10.3 (12.6)	-2.8 (-3.7)	
2009:4	5.3 (5.5)	0.3 (0.6)	
2010:1	2.3 (2.7)	2.4 (9.4)	
2010:2	0.7 (2.6)	3.0 (4.6)	
2010:3	1.2 (2.3)	-0.7 (-4.9)	
2010:4	1.6 (2.2)	1.8 (0.2)	
2011:1	1.8 (2.0)	3.3 (8.7)	
2011:2	2.1 (1.9)	4.3 (4.0)	
2011:3	2.3 (2.4)	-0.2 (-3.0)	
2011:4	2.4	2.3	
<i>Annual average</i>	<i>Verðbólga</i>		
2007	5.0 (5.0)		
2008	12.4 (13.0)		
2009	11.9 (14.1)		
2010	1.5 (2.4)		
2011	2.2 (2.2)		

2. Figures in parentheses show forecast in *Monetary Bulletin* 2008/3.