

Appendix 2

Forecast tables

Table 1 Key economic variables¹

	2018	2019	2020	2021	2022
Private consumption	4.7 (4.7)	1.6 (1.6)	-5.8 (-7.3)	3.8 (6.4)	3.5 (3.4)
Public consumption	3.9 (3.9)	4.1 (4.1)	3.2 (3.1)	1.2 (1.2)	2.7 (2.6)
Gross capital formation	-1.1 (-1.1)	-6.3 (-6.3)	-10.0 (-6.2)	2.4 (2.9)	3.7 (2.8)
Business investment	-11.5 (-11.5)	-17.5 (-17.5)	-13.4 (-6.3)	-0.8 (-0.1)	5.9 (4.2)
Residential investment	15.5 (15.5)	31.2 (31.2)	-21.2 (-23.0)	6.6 (9.5)	8.7 (8.2)
Public investment	30.6 (30.6)	-10.4 (-10.4)	19.5 (21.5)	5.6 (3.8)	-6.4 (-6.4)
National expenditure	3.5 (3.5)	-0.1 (-0.1)	-3.8 (-3.9)	2.2 (3.7)	3.3 (3.0)
Exports of goods and services	1.7 (1.7)	-5.0 (-5.0)	-28.5 (-31.6)	19.8 (23.6)	9.9 (8.3)
Imports of goods and services	0.8 (0.8)	-9.9 (-9.9)	-23.1 (-24.6)	17.4 (21.2)	10.3 (9.2)
Gross domestic product (GDP)	3.8 (3.8)	1.9 (1.9)	-7.1 (-8.0)	3.4 (4.8)	3.4 (2.8)
Contribution of net trade to GDP growth (percentage points)	0.4 (0.4)	2.0 (2.0)	-3.5 (-4.3)	1.2 (1.2)	0.2 (-0.1)
Unemployment (% of labour force)	2.7 (2.7)	3.6 (3.6)	7.2 (8.7)	7.9 (7.2)	6.3 (6.3)
Output gap (% of potential output)	2.4 (2.4)	1.3 (1.4)	-5.8 (-6.0)	-2.2 (-1.6)	-0.6 (-0.9)
Current account balance (% of GDP)	3.1 (3.1)	6.0 (5.8)	2.0 (1.3)	3.9 (2.5)	3.7 (2.2)
Trade-weighted exchange rate index ²	166.7 (166.7)	181.0 (181.0)	201.2 (203.9)	208.0 (209.4)	207.4 (207.8)
Inflation (consumer price index, CPI)	2.7 (2.7)	3.0 (3.0)	2.6 (2.3)	2.4 (1.7)	1.9 (1.6)
Inflation in main trading partners ³	2.0 (2.0)	1.5 (1.5)	0.7 (0.7)	1.3 (1.4)	1.7 (1.7)
GDP growth in main trading partners ³	2.3 (2.3)	1.8 (1.8)	-7.1 (-6.4)	5.5 (5.0)	3.2 (2.4)

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2020/2). 2. Narrow trade-weighted basket. The index has been recalculated so that on 2 January 2009 it was assigned a value equivalent to that of the now-discontinued Exchange Rate Index. 3. Forecast based on Consensus Forecasts, Global Insight, IMF, and OECD.

Sources: Consensus Forecasts, Global Insight, IMF, OECD, Refinitiv Datastream, Statistics Iceland, Central Bank of Iceland.

Table 2 Quarterly inflation forecast (%)¹

Quarter	Inflation (year-on-year change)	Inflation (annualised) quarter-on-quarter change
	Measured value	
2019:3	3.1 (3.1)	1.3 (1.3)
2019:4	2.5 (2.5)	2.5 (2.5)
2020:1	2.1 (2.1)	0.2 (0.2)
2020:2	2.5 (2.4)	6.0 (5.4)
	Forecasted value	
2020:3	3.0 (2.4)	3.4 (1.5)
2020:4	2.9 (2.3)	2.3 (2.1)
2021:1	2.9 (2.2)	0.1 (0.0)
2021:2	2.6 (1.6)	4.8 (2.8)
2021:3	2.1 (1.5)	1.3 (1.0)
2021:4	2.1 (1.4)	2.1 (1.7)
2022:1	2.1 (1.5)	0.1 (0.5)
2022:2	1.9 (1.6)	3.9 (3.4)
2022:3	1.8 (1.7)	1.0 (1.1)
2022:4	1.8 (1.8)	2.1 (2.2)
2023:1	2.0 (1.9)	1.1 (1.1)
2023:2	2.0 (2.0)	3.8 (3.8)
2023:3	2.1	1.5

1. Figures in parentheses are from the forecast in MB 2020/2.

Sources: Statistics Iceland, Central Bank of Iceland.