

2 Forecast tables

Table 1 Key economic variables¹

	2019	2020	2021	2022	2023
Private consumption	1.8 (1.3)	-4.4 (-5.5)	3.7 (2.7)	3.2 (3.9)	3.5 (3.7)
Public consumption	4.2 (4.2)	3.8 (3.9)	1.4 (1.0)	2.2 (2.2)	2.5 (2.5)
Gross capital formation	-6.9 (-6.6)	-11.7 (-15.5)	6.0 (3.1)	4.8 (4.8)	7.7 (7.0)
Business investment	-18.0 (-18.0)	-15.9 (-19.9)	2.9 (-0.1)	6.4 (14.5)	12.4 (12.2)
Residential investment	31.1 (31.2)	-6.1 (-18.8)	-4.0 (-10.3)	3.9 (0.8)	5.7 (4.7)
Public investment	-11.5 (-9.8)	-7.2 (3.6)	30.6 (28.6)	2.2 (-11.8)	-0.9 (-4.5)
National expenditure	0.1 (-0.2)	-3.2 (-4.7)	3.0 (1.9)	3.2 (3.6)	4.1 (4.0)
Exports of goods and services	-4.6 (-4.9)	-30.3 (-30.1)	9.8 (11.7)	22.5 (22.2)	6.9 (5.1)
Imports of goods and services	-9.3 (-10.2)	-22.5 (-23.9)	11.3 (10.7)	17.0 (17.7)	6.8 (5.6)
Gross domestic product (GDP)	1.9 (1.9)	-7.7 (-8.5)	2.5 (2.3)	5.1 (5.7)	4.1 (3.9)
Contribution of net trade to GDP growth (percentage points)	1.9 (2.2)	-4.6 (-4.0)	-0.5 (0.4)	1.9 (2.2)	0.1 (0.0)
Unemployment (% of labour force)	3.6 (3.6)	5.5 (5.9)	7.3 (8.3)	6.7 (6.7)	6.3 (6.5)
Output gap (% of potential output)	1.8 (1.9)	-5.6 (-5.7)	-2.1 (-1.9)	-0.6 (-0.1)	-0.2 (0.2)
Current account balance (% of GDP)	6.4 (6.2)	1.2 (2.6)	0.1 (3.1)	1.2 (3.9)	1.0 (3.3)
Trade-weighted exchange rate index ²	181.0 (181.0)	201.0 (201.9)	204.8 (213.0)	206.7 (211.3)	205.3 (207.4)
Inflation (consumer price index, CPI)	3.0 (3.0)	2.8 (2.9)	3.1 (2.9)	2.2 (2.2)	2.2 (2.3)
Inflation in main trading partners ³	1.5 (1.5)	0.7 (0.8)	1.3 (1.4)	1.7 (1.7)	1.7 (1.6)
GDP growth in main trading partners ³	1.9 (1.8)	-5.7 (-5.9)	4.3 (4.6)	3.8 (3.3)	2.3 (2.3)

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2020/4). 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, IHS Markit, IMF, and OECD.

Sources: Consensus Forecasts, IHS Markit, International Monetary Fund, 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		
2020:1	2.1 (2.1)	0.2 (0.2)
2020:2	2.5 (2.5)	6.0 (6.0)
2020:3	3.2 (3.2)	4.3 (4.3)
2020:4	3.6 (3.7)	3.8 (4.3)
Forecasted value		
2021:1	3.9 (3.7)	1.7 (0.5)
2021:2	3.3 (3.1)	3.2 (3.3)
2021:3	2.7 (2.5)	2.2 (2.1)
2021:4	2.6 (2.2)	3.3 (3.0)
2022:1	2.3 (2.3)	0.6 (0.7)
2022:2	2.3 (2.3)	3.1 (3.2)
2022:3	2.2 (2.2)	2.0 (1.8)
2022:4	2.1 (2.2)	2.9 (3.2)
2023:1	2.1 (2.2)	0.6 (0.8)
2023:2	2.2 (2.3)	3.5 (3.6)
2023:3	2.3 (2.4)	2.1 (1.9)
2023:4	2.4 (2.4)	3.5 (3.5)
2024:1	2.5	1.0

1. Figures in parentheses are from the forecast in MB 2020/4.

Sources: Statistics Iceland, Central Bank of Iceland.