

# Appendix

## Forecast tables

Table 1 GDP and its main components<sup>1</sup>

	2021	2022	2023	2024	2025
Private consumption	7.0 (7.7)	8.6 (8.7)	3.6 (2.5)	1.7 (2.3)	2.0 (2.1)
Public consumption	2.4 (2.2)	1.6 (1.9)	2.1 (2.2)	2.0 (1.7)	1.6 (1.8)
Gross capital formation	9.8 (12.3)	6.9 (3.8)	5.7 (3.0)	5.7 (4.2)	4.4 (3.2)
Business investment	14.4 (19.1)	15.2 (9.3)	6.9 (2.5)	3.8 (-0.6)	2.8 (4.6)
Residential investment	-5.2 (-5.2)	-6.3 (-1.9)	11.1 (13.2)	15.5 (16.3)	10.1 (1.7)
Public investment	18.9 (18.7)	-0.9 (-6.0)	-4.8 (-8.8)	-1.5 (2.5)	0.8 (1.0)
National expenditure	6.3 (7.1)	6.4 (5.8)	3.5 (2.4)	2.6 (2.5)	2.5 (2.3)
Exports of goods and services	14.7 (12.7)	20.6 (22.6)	6.3 (2.9)	3.5 (3.7)	3.2 (3.1)
Imports of goods and services	19.9 (20.3)	19.7 (18.4)	3.5 (2.6)	3.7 (3.6)	2.7 (3.3)
Gross domestic product (GDP)	4.3 (4.4)	6.4 (7.1)	4.8 (2.6)	2.6 (2.5)	2.7 (2.1)
GDP at current prices (ISK trillions)	3.24 (3.25)	3.77 (3.76)	4.16 (4.07)	4.49 (4.33)	4.77 (4.57)
Public sector demand <sup>2</sup>	4.4 (4.2)	1.3 (0.8)	1.2 (0.8)	1.6 (1.8)	1.5 (1.7)
Total investment (% of GDP)	22.2 (22.7)	22.4 (22.3)	22.7 (22.7)	23.3 (23.2)	23.6 (23.3)

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2023/1).

2. Public sector demand in the expenditure accounts is the sum of public consumption and public investment.

Sources: Statistics Iceland, Central Bank of Iceland.

Table 2 Global economy, external conditions, and exports<sup>1</sup>

	2021	2022	2023	2024	2025
Marine production for export	8.5 (8.5)	0.6 (0.6)	-1.6 (-3.1)	1.9 (1.1)	1.0 (2.3)
Aluminium production for export <sup>2</sup>	0.7 (0.7)	2.3 (2.3)	1.0 (0.4)	0.5 (0.8)	1.1 (1.1)
Goods exports. total	7.3 (7.3)	1.4 (1.8)	1.4 (-0.4)	2.1 (2.0)	1.9 (2.7)
Services exports. total	28.5 (21.7)	53.8 (56.1)	12.9 (7.0)	5.1 (5.3)	4.5 (3.5)
Contribution of net trade to GDP growth (percentage points)	-2.0 (-2.7)	-0.1 (1.3)	1.3 (0.2)	-0.1 (-0.1)	0.2 (-0.2)
Terms of trade for goods and services	3.8 (3.6)	3.0 (1.4)	-5.5 (-4.0)	0.1 (-1.1)	-0.1 (-0.3)
Trade balance (% of GDP)	-2.0 (-1.8)	-0.7 (0.1)	-2.1 (-1.7)	-2.1 (-2.3)	-1.9 (-2.4)
Current account balance (% of GDP)	-2.4 (-1.7)	-1.5 (-1.6)	-2.8 (-2.4)	-2.8 (-3.1)	-2.5 (-3.5)
Inflation in main trading partners <sup>3</sup>	2.8 (2.8)	7.6 (7.6)	5.0 (5.1)	2.6 (2.3)	2.1 (2.0)
GDP growth in main trading partners <sup>3</sup>	5.8 (5.8)	3.4 (3.3)	1.0 (0.6)	1.3 (1.4)	2.0 (2.1)

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2023/1).

2. According to Statistics Iceland's external trade data.

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 3 Employment, wages, and factor utilisation<sup>1</sup>

	2021	2022	2023	2024	2025
Total hours worked <sup>2</sup>	2.7 (2.7)	6.7 (6.7)	4.6 (2.2)	0.6 (0.6)	1.2 (1.3)
Unemployment (% of labour force) <sup>2</sup>	6.0 (6.0)	3.8 (3.8)	3.7 (4.0)	4.3 (4.4)	4.3 (4.6)
GDP per hour worked <sup>3</sup>	1.6 (1.7)	-0.2 (0.4)	0.2 (0.4)	1.9 (1.9)	1.5 (0.9)
Unit labour costs <sup>4</sup>	4.3 (4.7)	8.2 (8.4)	8.8 (9.0)	4.8 (5.1)	3.8 (4.4)
Real disposable income <sup>5</sup>	3.1 (5.7)	2.5 (4.9)	1.2 (1.0)	1.9 (2.3)	3.2 (2.9)
Output gap (% of potential output)	-1.9 (-1.3)	2.0 (2.4)	2.1 (1.6)	1.0 (1.3)	0.4 (0.4)

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2023/1).

2. According to Statistics Iceland labour force survey (LFS).

3. Based on hours worked according to Statistics Iceland labour force survey (LFS).

4. Compensation of employees as a share of GDP, constant prices.

5. Ratio of disposable income to private consumption price index. Disposable income according to Central Bank estimate, based on Statistics Iceland's sector accounts.

Sources: Statistics Iceland, Central Bank of Iceland.

Table 4 Exchange rate and inflation<sup>1</sup>

	2021	2022	2023	2024	2025
Trade-weighted exchange rate index <sup>2</sup>	2.5 (2.5)	3.1 (3.1)	-3.5 (-6.1)	-0.5 (-0.1)	0.0 (1.2)
Real exchange rate (relative consumer prices)	3.9 (3.9)	3.9 (3.9)	0.1 (-4.3)	1.7 (1.7)	1.2 (2.4)
Inflation (consumer price index, CPI)	4.4 (4.4)	8.3 (8.3)	8.8 (7.2)	5.0 (4.2)	3.4 (3.2)

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2023/1).

2. Average exchange rate in terms of narrow trade basket. Positive figures represent an increase in the exchange rate of the króna versus the average of other currencies.

Sources: Statistics Iceland, Central Bank of Iceland.

Table 5 Quarterly inflation forecast (%)<sup>1</sup>

Quarter	Inflation (year-on-year change)	Inflation (annualised quarter-on-quarter change)
Measured value		
2022:2	7.9 (7.9)	13.7 (13.7)
2022:3	9.7 (9.7)	10.8 (10.8)
2022:4	9.4 (9.4)	5.0 (5.0)
2023:1	10.0 (9.5)	10.5 (8.5)
Forecasted value		
2023:2	9.4 (7.7)	11.5 (6.4)
2023:3	8.0 (5.9)	4.9 (3.7)
2023:4	8.1 (5.8)	5.5 (4.6)
2024:1	6.6 (4.6)	4.5 (3.8)
2024:2	5.2 (4.4)	5.9 (5.6)
2024:3	4.4 (4.0)	2.0 (1.9)
2024:4	3.9 (3.8)	3.5 (3.7)
2025:1	3.5 (3.4)	2.6 (2.4)
2025:2	3.4 (3.2)	5.5 (4.9)
2025:3	3.3 (3.1)	1.7 (1.3)
2025:4	3.3 (2.9)	3.3 (3.1)
2026:1	3.1 (2.7)	2.0 (1.7)
2026:2	2.7	3.8

1. Figures in parentheses are from the forecast in MB 2023/1.

Sources: Statistics Iceland, Central Bank of Iceland.