

## Appendix 2

## Forecast tables

Table 1 Key economic indicators<sup>1</sup>

	2019	2020	2021	2022	2023
Private consumption	1.3 (1.6)	-5.5 (-5.8)	2.7 (3.8)	3.9 (3.5)	3.7
Public consumption	4.2 (4.1)	3.9 (3.2)	1.0 (1.2)	2.2 (2.7)	2.5
Gross capital formation	-6.6 (-6.3)	-15.5 (-10.0)	3.1 (2.4)	4.8 (3.7)	7.0
Business investment	-18.0 (-17.5)	-19.9 (-13.4)	-0.1 (-0.8)	14.5 (5.9)	12.2
Residential investment	31.2 (31.2)	-18.8 (-21.2)	-10.3 (6.6)	0.8 (8.7)	4.7
Public investment	-9.8 (-10.4)	3.6 (19.5)	28.6 (5.6)	-11.8 (-6.4)	-4.5
Domestic demand	-0.2 (-0.1)	-4.7 (-3.8)	1.9 (2.2)	3.6 (3.3)	4.0
Exports of goods and services	-4.9 (-5.0)	-30.1 (-28.5)	11.7 (19.8)	22.2 (9.9)	5.1
Imports of goods and services	-10.2 (-9.9)	-23.9 (-23.1)	10.7 (17.4)	17.7 (10.3)	5.6
Gross domestic product (GDP)	1.9 (1.9)	-8.5 (-7.1)	2.3 (3.4)	5.7 (3.4)	3.9
Contribution of net trade to GDP growth (percentage points)	2.2 (2.0)	-4.0 (-3.5)	0.4 (1.2)	2.2 (0.2)	0.0
Unemployment (% of labour force)	3.6 (3.6)	5.9 (7.2)	8.3 (7.9)	6.7 (6.3)	6.5
Output gap (% of potential output)	1.9 (1.3)	-5.7 (-5.8)	-1.9 (-2.2)	-0.1 (-0.6)	0.2
Current account balance (% of GDP)	6.2 (6.0)	2.6 (2.0)	3.1 (3.9)	3.9 (3.7)	3.3
Trade-weighted exchange rate index <sup>2</sup>	181.0 (181.0)	201.9 (201.2)	213.0 (208.0)	211.3 (207.4)	207.4
Inflation (consumer price index. CPI)	3.0 (3.0)	2.9 (2.6)	2.9 (2.4)	2.2 (1.9)	2.3
Inflation in main trading partners <sup>3</sup>	1.5 (1.5)	0.8 (0.7)	1.4 (1.3)	1.7 (1.7)	1.6
GDP growth in main trading partners <sup>3</sup>	1.8 (1.8)	-5.9 (-7.1)	4.6 (5.5)	3.3 (3.2)	2.3

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2020/3). 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 Forecast, IHS Markit, IMF, and OECD.

Sources: Consensus Forecasts, IHS Markit, IMF, OECD, Refinitiv Datastream, Statistics Iceland, Central Bank of Iceland.

Table 2 Quarterly inflation forecast (%)<sup>1</sup>

Quarter	Inflation (year-on-year change)	Inflation (annualised quarter-on-quarter change)
	Measured value	
2019:4	2.5 (2.5)	2.5 (2.5)
2020:1	2.1 (2.1)	0.2 (0.2)
2020:2	2.5 (2.5)	6.0 (6.0)
2020:3	3.2 (3.0)	4.3 (3.4)
	Forecasted value	
2020:4	3.7 (2.9)	4.3 (2.3)
2021:1	3.7 (2.9)	0.5 (0.1)
2021:2	3.1 (2.6)	3.3 (4.8)
2021:3	2.5 (2.1)	2.1 (1.3)
2021:4	2.2 (2.1)	3.0 (2.1)
2022:1	2.3 (2.1)	0.7 (0.1)
2022:2	2.3 (1.9)	3.2 (3.9)
2022:3	2.2 (1.8)	1.8 (1.0)
2022:4	2.2 (1.8)	3.2 (2.1)
2023:1	2.2 (2.0)	0.8 (1.1)
2023:2	2.3 (2.0)	3.6 (3.8)
2023:3	2.4 (2.1)	1.9 (1.5)
2023:4	2.4	3.5

1. Figures in parentheses are from the forecast in MB 2020/3.

Sources: Statistics Iceland, Central Bank of Iceland.