

Appendix 1

Forecast tables

Table 1 Main economic indicators¹

	2018	2019	2020	2021	2022
Private consumption	4.7 (4.7)	1.6 (2.0)	-7.3 (2.4)	6.4 (2.5)	3.4 (3.1)
Public consumption	3.9 (3.5)	4.1 (2.9)	3.1 (2.5)	1.2 (2.4)	2.6 (2.5)
Gross capital formation	-1.1 (4.0)	-6.3 (-6.9)	-6.2 (0.3)	2.9 (3.0)	2.8 (1.3)
Business investment	-11.5 (-4.1)	-17.5 (-17.4)	-6.3 (1.2)	-0.1 (-0.3)	4.2 (1.7)
Residential investment	15.5 (16.2)	31.2 (30.1)	-23.0 (-4.6)	9.5 (5.3)	8.2 (4.5)
Public investment	30.6 (28.3)	-10.4 (-9.7)	21.5 (4.7)	3.8 (10.7)	-6.4 (-4.6)
Domestic demand	3.5 (4.6)	-0.1 (-0.4)	-3.9 (2.1)	3.7 (2.6)	3.0 (2.5)
Exports of goods and services	1.7 (1.7)	-5.0 (-5.8)	-31.6 (-1.4)	23.6 (3.6)	8.3 (3.0)
Imports of goods and services	0.8 (0.8)	-9.9 (-8.5)	-24.6 (1.5)	21.2 (4.0)	9.2 (2.8)
Gross domestic product (GDP)	3.8 (4.8)	1.9 (0.6)	-8.0 (0.8)	4.8 (2.4)	2.8 (2.6)
Contribution of net trade to GDP growth (percentage points)	0.4 (0.4)	2.0 (1.0)	-4.3 (-1.2)	1.2 (-0.1)	-0.1 (0.2)
Unemployment (% of labour force)	2.7 (2.7)	3.6 (3.6)	8.7 (4.2)	7.2 (4.1)	6.3 (3.7)
Output gap (% of potential output)	2.4 (2.4)	1.4 (0.4)	-6.0 (-0.8)	-1.6 (-0.4)	-0.9 (-0.2)
Current account balance (% of GDP)	3.1 (2.8)	5.8 (4.7)	1.3 (3.8)	2.5 (3.6)	2.2 (3.6)
Trade-weighted exchange rate index ²	166.7 (166.7)	181.0 (181.0)	203.9 (182.9)	209.4 (185.4)	207.8 (185.4)
Inflation (consumer price index, CPI)	2.7 (2.7)	3.0 (3.0)	2.3 (1.9)	1.7 (2.1)	1.6 (2.2)
Inflation in main trading partners ³	2.0 (2.0)	1.5 (1.5)	0.7 (1.6)	1.4 (1.7)	1.7 (1.8)
GDP growth in main trading partners ³	2.3 (2.3)	1.8 (1.7)	-6.4 (1.6)	5.0 (1.6)	2.4 (1.6)

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2020/1). 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, 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	
2019:2	3.4 (3.4)	4.3 (4.3)
2019:3	3.1 (3.1)	1.3 (1.3)
2019:4	2.5 (2.5)	2.5 (2.5)
2020:1	2.1 (1.9)	0.2 (-0.4)
	Forecasted value	
2020:2	2.4 (1.9)	5.4 (4.3)
2020:3	2.4 (1.8)	1.5 (0.6)
2020:4	2.3 (1.8)	2.1 (2.6)
2021:1	2.2 (2.1)	0.0 (0.7)
2021:2	1.6 (2.1)	2.8 (4.5)
2021:3	1.5 (2.1)	1.0 (0.7)
2021:4	1.4 (2.2)	1.7 (2.9)
2022:1	1.5 (2.2)	0.5 (0.9)
2022:2	1.6 (2.2)	3.4 (4.5)
2022:3	1.7 (2.2)	1.1 (0.6)
2022:4	1.8 (2.3)	2.2 (3.1)
2023:1	1.9 (2.4)	1.1 (1.2)
2023:2	2.0	3.8

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

Sources: Statistics Iceland, Central Bank of Iceland.