

Appendix 1

Baseline macroeconomic and inflation forecast 2014/1

Table 1 Macroeconomic forecast¹

	B.kr.	Volume change on previous year (%) unless otherwise stated				
		2012	Forecast			
<i>GDP and its main components</i>						
Private consumption	912.9	2.4 (2.4)	1.6 (1.9)	4.6 (2.3)	4.3 (2.5)	2.9 (2.5)
Public consumption	430.4	-1.4 (-1.4)	1.2 (1.2)	0.6 (0.7)	0.2 (0.4)	0.4 (0.6)
Gross fixed capital formation	246.9	5.0 (5.0)	-4.3 (-4.1)	5.4 (8.9)	20.1 (22.8)	14.7 (-1.3)
Business investment	168.6	7.8 (7.8)	-11.9 (-13.0)	0.8 (4.8)	25.8 (31.2)	17.7 (-5.8)
Residential investment	44.9	6.9 (6.9)	15.7 (20.1)	20.3 (24.5)	16.6 (14.1)	16.4 (14.5)
Public investment	33.5	-9.1 (-9.1)	8.8 (12.1)	6.1 (3.9)	0.7 (0.1)	-4.0 (-4.3)
National expenditure	1,594.6	1.6 (1.6)	0.4 (0.7)	3.6 (2.8)	5.5 (5.1)	4.2 (1.3)
Exports of goods and services	1,009.5	3.8 (3.8)	4.7 (3.4)	1.4 (2.2)	1.8 (1.6)	2.4 (2.5)
Imports of goods and services	905.5	4.7 (4.7)	0.3 (0.8)	3.1 (2.6)	5.1 (5.8)	4.6 (1.3)
Contribution of net trade to growth	-	-0.1 (-0.1)	2.6 (1.6)	-0.7 (0.0)	-1.5 (-2.0)	-1.0 (0.7)
Gross domestic product	1,698.5	1.4 (1.4)	3.0 (2.3)	2.6 (2.6)	3.7 (2.8)	3.0 (2.0)
<i>Other key figures</i>						
GDP at current prices (in b.kr.)		1,698 (1,698)	1,789 (1,771)	1,867 (1,865)	1,991 (1,963)	2,104 (2,052)
Trade account balance (% of GDP)		6.1 (6.1)	7.4 (6.1)	6.0 (5.4)	4.0 (2.9)	2.3 (3.1)
Current account balance (% of GDP)		-5.1 (-5.5)	3.0 (0.5)	0.8 (-2.3)	-1.0 (-4.7)	-2.8 (-4.7)
Underlying current account balance (% of GDP) ²		2.8 (2.4)	5.3 (3.1)	0.8 (0.5)	-1.0 (-2.1)	-2.8 (-2.2)
Terms of trade (change in average year-on-year)		-3.5 (-3.5)	-1.3 (-2.0)	-0.4 (-0.7)	-0.7 (-0.8)	-1.2 (-0.7)
Total gross fixed capital formation (% of GDP)		14.5 (14.5)	13.4 (13.8)	13.6 (14.8)	15.7 (17.5)	17.5 (17.0)
Business investment (% of GDP)		9.9 (9.9)	8.4 (8.5)	8.0 (8.7)	9.6 (11.1)	11.1 (10.2)
Output gap (% of potential output)		-1.9 (-1.9)	-0.8 (-1.2)	-0.3 (-0.5)	0.8 (0.2)	1.1 (0.2)
Unit labour costs (change in average year-on-year) ³		6.4 (6.3)	4.7 (4.4)	3.7 (4.0)	3.0 (3.5)	2.6 (3.5)
Real disposable income (change in average year-on-year)		-0.5 (-0.6)	4.1 (3.5)	2.7 (1.8)	2.2 (3.5)	2.4 (3.2)
Unemployment (% of labour force)		5.8 (5.8)	4.4 (4.5)	3.7 (4.1)	3.7 (4.1)	3.5 (3.8)
Average exchange rate - narrow TWI (31/12 1991 = 100)		222.0 (222.0)	218.9 (218.4)	210.1 (215.4)	210.1 (215.6)	210.1 (215.6)
Inflation (annual average, %)		5.2 (5.2)	3.9 (3.9)	2.7 (3.2)	3.4 (2.8)	3.2 (2.6)
Inflation excluding tax effects (annual average, %)		5.0 (5.0)	3.7 (3.7)	2.6 (2.9)	3.4 (2.8)	3.2 (2.6)

1. Figures in parentheses from forecast in *Monetary Bulletin* 2013/4. 2. Adjusted for the calculated income and expenses of banks in winding-up proceedings. As of 2014/1 it is also corrected for the effects of the settlement of their estates. In 2012, also adjusted for the effects of pharmaceuticals company Actavis on the balance on income. 3. Based on underlying productivity.

Table 2 Quarterly inflation forecast (%)¹

Quarter	Inflation (change year-on-year)	Underlying inflation (excl. tax effects) (change year-on-year)	Inflation (annualised quarter-on-quarter change)
<i>Measured value</i>			
2012:4	4.3 (4.3)	4.1 (4.1)	3.9 (3.9)
2013:1	4.3 (4.3)	4.2 (4.2)	6.5 (6.5)
2013:2	3.3 (3.3)	3.2 (3.2)	4.1 (4.1)
2013:3	4.0 (4.0)	3.9 (3.9)	1.7 (1.7)
2013:4	3.8 (3.8)	3.7 (3.7)	3.1 (3.0)
<i>Forecasted value</i>			
2014:1	2.7 (3.3)	2.6 (3.0)	2.0 (4.5)
2014:2	2.8 (3.2)	2.7 (2.9)	4.5 (3.6)
2014:3	2.7 (3.2)	2.6 (2.9)	1.3 (1.7)
2014:4	2.6 (3.2)	2.5 (2.9)	2.5 (3.1)
2015:1	3.1 (2.9)	3.1 (2.9)	4.3 (3.1)
2015:2	3.4 (2.8)	3.4 (2.8)	5.5 (3.3)
2015:3	3.6 (2.8)	3.6 (2.8)	2.0 (1.7)
2015:4	3.5 (2.7)	3.5 (2.7)	2.4 (2.7)
2016:1	3.5 (2.7)	3.5 (2.7)	4.2 (3.2)
2016:2	3.2 (2.6)	3.2 (2.6)	4.2 (2.6)
2016:3	3.1 (2.6)	3.1 (2.6)	1.8 (1.9)
2016:4	3.0 (2.5)	3.0 (2.5)	2.0 (2.3)
2017:1	2.9	2.9	3.7

1. Figures in parentheses are from the forecast in *Monetary Bulletin* 2013/4.