

Appendix

Forecast tables

Table 1 Key economic variables¹

	2021	2022	2023	2024	2025
Private consumption	7.7 (7.6)	7.1 (7.2)	2.6 (2.0)	2.9 (2.8)	2.3
Public consumption	2.2 (1.8)	1.6 (1.7)	1.6 (1.5)	1.7 (1.6)	1.8
Gross capital formation	12.3 (13.6)	5.6 (9.1)	3.9 (-0.1)	2.3 (1.9)	1.7
Business investment	19.1 (23.1)	14.0 (11.9)	3.0 (-4.1)	-2.4 (-0.3)	1.5
Residential investment	-5.2 (-4.4)	-1.6 (5.9)	13.2 (14.3)	16.5 (7.8)	2.4
Public investment	18.7 (12.4)	-10.8 (4.2)	-5.4 (-6.0)	-3.3 (-0.3)	1.4
National expenditure	7.1 (7.2)	5.1 (6.3)	2.8 (1.2)	2.5 (2.3)	2.0
Exports of goods and services	12.7 (12.3)	18.4 (16.4)	3.0 (5.3)	3.3 (3.9)	3.6
Imports of goods and services	20.3 (20.3)	16.5 (16.8)	3.1 (3.6)	3.0 (3.8)	3.1
Gross domestic product (GDP)	4.4 (4.3)	5.6 (5.9)	2.8 (1.9)	2.6 (2.3)	2.2
GDP at current prices (ISK billion)	3,251 (3,233)	3,713 (3,706)	3,962 (3,972)	4,198 (4,209)	4,425
Contribution of net trade to GDP growth (percentage points)	-2.7 (-2.9)	0.5 (-0.5)	0.0 (0.7)	0.1 (0.0)	0.1
Exports of goods	7.3 (7.6)	1.2 (1.5)	-0.7 (-0.7)	1.8 (2.1)	2.5
Exports of services	21.7 (20.3)	46.3 (40.6)	8.0 (13.5)	4.8 (5.8)	4.8
Unemployment (LFS, % of labour force) ²	6.0 (6.0)	3.8 (3.8)	3.8 (4.1)	4.0 (4.2)	4.3
Registered unemployment (% of labour force) ³	7.7 (7.7)	3.8 (3.8)	3.5 (3.9)	3.7 (4.1)	3.9
Output gap (% of potential output)	-1.2 (-1.2)	1.1 (1.5)	1.1 (0.7)	0.5 (0.0)	0.3
Current account balance (% of GDP)	-1.6 (-2.9)	-2.1 (-3.7)	-2.7 (-3.4)	-3.2 (-3.3)	-3.4
Trade-weighted exchange rate index ⁴	196.1 (196.1)	189.2 (188.7)	191.5 (189.8)	191.5 (189.7)	191.6
Inflation (consumer price index, CPI)	4.4 (4.4)	8.3 (8.8)	6.0 (6.7)	3.6 (3.4)	2.8
Inflation in main trading partners ⁵	2.8 (2.8)	7.7 (7.1)	5.0 (3.8)	2.2 (1.9)	2.1
GDP growth in main trading partners ⁵	5.7 (5.7)	3.1 (2.9)	0.6 (1.2)	1.6 (1.7)	2.0

1. Year-on-year change (%) unless otherwise specified (figures in parentheses are from the forecast in MB 2022/3).

2. Unemployment according to the Statistics Iceland Labour Force Survey (LFS).

3. Registered unemployment is from the Directorate of Labour and excludes persons on the partial unemployment benefit programme.

4. 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.

5. Forecast based on Consensus Forecasts, IHS Markit, IMF and OECD.

Sources: Consensus Forecasts, Directorate of Labour, IHS Markit, International Monetary Fund, OECD, Refinitiv Datastream, Statistics Iceland, Central Bank of Iceland.

Table 2 Quarterly inflation forecast (%)¹

<i>Quarter</i>	<i>Inflation (year-on-year change)</i>	<i>Inflation (annualised quarter-on-quarter change)</i>
Measured value		
2021:4	4.8 (4.8)	5.9 (5.9)
2022:1	6.2 (6.2)	8.3 (8.3)
2022:2	7.9 (7.9)	13.7 (13.7)
2022:3	9.7 (10.4)	10.8 (13.7)
Forecasted value		
2022:4	9.4 (10.8)	4.8 (7.5)
2023:1	8.5 (9.7)	4.9 (4.1)
2023:2	6.7 (7.9)	6.5 (6.4)
2023:3	4.6 (5.2)	2.3 (2.7)
2023:4	4.4 (4.3)	3.7 (4.2)
2024:1	3.9 (3.9)	3.0 (2.4)
2024:2	3.6 (3.5)	5.3 (4.6)
2024:3	3.4 (3.2)	1.7 (1.5)
2024:4	3.4 (3.0)	3.4 (3.5)
2025:1	3.1 (2.9)	2.1 (2.2)
2025:2	2.9 (2.9)	4.3 (4.4)
2025:3	2.7 (2.7)	1.0 (0.9)
2025:4	2.6	2.8

1. Figures in parentheses are from the forecast in MB 2022/3.

Sources: Statistics Iceland, Central Bank of Iceland.