

Iceland – Economic forecast, summer 2022

Statistics Iceland released their Economic forecast for 2022-2027 on 27th of June 2022.

- The economy is expected to grow by 5.1% in 2022 and 2.9 in 2023.
- GDP grew by 8.6% in the first quarter of 2022, driven by growth in private consumption..
- Private consumption is expected to grow by 4.3% this year with rising employment, but rising inflation will slow its growth in coming years. Public consumption is expected to grow by 1.3% this year.
- Number of tourists increased faster in the first half of the year than expected. Exports are expected to increase by 17.6% this year. The imports of goods have been strong, e.g. due to imports of aircrafts. Imports are expected to increase by 14.3% this year.
- The inflation outlook has deteriorated due to rising inflation abroad, higher increases in house prices and strong demand in the economy.
- The consumer price index is expected to rise by 7.5% on average this year and inflation remain higher over the forecast horizon than previously estimated.

