



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

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Results of the Q1 2017 ECB Survey of Professional Forecasters

- Inflation expectations have been revised upwards for 2017 and 2018, largely because of higher oil prices. Longer-term inflation expectations remain unchanged at 1.8%.
- Real GDP growth expectations have been revised upwards for 2017, but are unchanged for years further ahead further out.
- Unemployment rate expectations have been revised downwards.

Respondents to the ECB's Survey of Professional Forecasters (SPF) for the first quarter of 2017 report average point forecasts for inflation of 1.4%, 1.5% and 1.6% in 2017, 2018 and 2019, respectively. That represents an upward revision of 0.2 and 0.1 percentage point to expectations for 2017 and 2018, respectively. These upward revisions largely reflect the increase in the price of oil (converted into euro terms). Average longer-term inflation expectations (for 2021) remain unchanged at 1.8%.

SPF respondents revised their expectations for growth in euro area economic activity upwards for 2017, by 0.1 percentage point, but there were no changes to expectations for 2018 or for the longer term (2021). Real GDP growth expectations were 1.5% per annum for each calendar year from 2017 to 2019.

Unemployment rate expectations continue to imply a declining trajectory. The average point forecasts are 9.5%, 9.2% and 8.9% for 2017, 2018 and 2019, respectively. This represents downward revisions, relative to the SPF for the fourth quarter of 2016, of 0.2 percentage point for 2017 and 0.1 percentage point for 2018. The average point forecast for the longer-term unemployment rate (in 2021) was revised downwards by 0.2 percentage point, to 8.5%.

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Table: Results of the ECB Survey of Professional Forecasters for Q1 2017

(annual percentage changes, unless otherwise indicated)

Survey horizon	2017	2018	2019	Longer term (1)
HICP inflation				
SPF Q1 2017	1.4	1.5	1.6	1.8
Previous SPF (Q4 2016)	1.2	1.4	-	1.8
Real GDP growth				
SPF Q1 2017	1.5	1.5	1.5	1.6
Previous SPF (Q4 2016)	1.4	1.5	-	1.6
Unemployment rate (2)				
SPF Q1 2017	9.5	9.2	8.9	8.5
Previous SPF (Q4 2016)	9.7	9.3	-	8.7

1) Longer-term expectations refer to 2021.

2) As a percentage of the labour force.

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Notes:

- *The ECB Survey of Professional Forecasters (SPF) is conducted on a quarterly basis and gathers expectations for the rates of inflation, real GDP growth and unemployment in the euro area for several horizons, together with a quantitative assessment of the uncertainty surrounding them. The participants in the survey are experts affiliated with financial or non-financial institutions based within the European Union. The survey results do not represent the views of the ECB's decision-making bodies or of its staff. The next Eurosystem staff macroeconomic projections will be published on 9 March 2017.*
- *Since 2015 the results of the SPF have been released on the ECB's website. For surveys prior to the first quarter of 2015, see the ECB's Monthly Bulletin (2002-14: Q1 – February, Q2 – May, Q3 – August, Q4 – November).*
- *The SPF survey for the fourth quarter of 2016 was conducted between 4 and 11 January 2017. The total number of responses was 57, broadly comparable with the average number of responses to surveys in the first quarter of a year (59).*
- *The SPF report and data are available via the [SPF webpage](#) and via the ECB's [Statistical Data Warehouse](#).*