

Results of the ECB Survey of Professional Forecasters in the fourth quarter of 2020



PRESS RELEASE

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- HICP inflation expectations for 2020 and 2021 revised down slightly, while longer-term inflation expectations broadly unchanged
- Expected profile of real GDP revised up slightly, with slightly milder downturn in 2020 and rebound in 2021
- Unemployment rate expectations revised down across all horizons

Respondents to the European Central Bank (ECB) Survey of Professional Forecasters (SPF) for the fourth quarter of 2020 reported point forecasts for annual HICP inflation averaging 0.3%, 0.9% and 1.3% for 2020, 2021 and 2022 respectively. These results represent downward revisions of 0.1 percentage points for both 2020 and 2021. Average longer-term inflation expectations (which, like all other longer-term expectations in this round of the SPF, refer to 2025) edged up to 1.7% from 1.6% in the previous round.

The expectations of SPF respondents for euro area real GDP growth averaged -7.8%, 5.3% and 2.6% for 2020, 2021 and 2022 respectively. These figures represent revisions from the previous round amounting to +0.5 percentage points for 2020, -0.4 percentage points for 2021 and +0.2 percentage points for 2022. Average longer-term expectations for real GDP growth were unchanged at 1.4%.

Average unemployment rate expectations stood at 8.3%, 9.1% and 8.4% for 2020,

2021 and 2022 respectively. These represent downward revisions of 0.8, 0.2 and 0.1 percentage points. Expectations for the unemployment rate in the longer term were revised down 0.1 percentage points to 7.6%.

Table: Results of the ECB Survey of Professional Forecasters for the fourth quarter of 2020

(annual percentage changes, unless otherwise indicated)

Survey horizon	2020	2021	2022	Longer term (1)
HICP inflation				
Q4 2020 SPF	0.3	0.9	1.3	1.7
<i>Previous SPF (Q3 2020)</i>	0.4	1.0	1.3	1.6
HICP inflation excluding energy, food, alcohol and tobacco				
Q4 2020 SPF	0.7	0.8	1.1	1.5
<i>Previous SPF (Q3 2020)</i>	0.8	0.9	1.1	1.5
Real GDP growth				
Q4 2020 SPF	-7.8	5.3	2.6	1.4
<i>Previous SPF (Q3 2020)</i>	-8.3	5.7	2.4	1.4
Unemployment rate (2)				
Q4 2020 SPF	8.3	9.1	8.4	7.6
<i>Previous SPF (Q3 2020)</i>	9.1	9.3	8.5	7.7

1) Longer-term expectations refer to 2025.

2) As a percentage of the labour force.

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Notes

- The 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 its staff. The next Eurosystem staff macroeconomic projections will be published on 10 December 2020.
- Since 2015 the results of the SPF have been published on the ECB's website. For surveys prior to the first quarter of 2015, see the ECB's Monthly Bulletin (2002-2014: Q1 – February, Q2 – May, Q3 – August, Q4 – November).
- The survey was conducted between 2 and 9 October 2020 with 66 responses received.
- The SPF report and data are available via the [SPF webpage](#) and via the ECB's [Statistical Data Warehouse](#).

Speaking engagements

[Media contacts](#)