

Results of the Q2 2020 ECB Survey of Professional Forecasters



PRESS RELEASE

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- Expected effects of the coronavirus (COVID-19) pandemic and subsequent mitigation measures have a significant impact on inflation, growth and unemployment rate forecasts
- HICP inflation expectations for shorter horizons revised sharply down, while average longer-term inflation expectations unchanged
- Real GDP growth expectations for current and next year revised significantly – down and up respectively
- Unemployment rate expectations revised up sharply for 2020 with only a gradual unwinding thereafter

Respondents to the ECB Survey of Professional Forecasters (SPF) for the second quarter of 2020 reported point forecasts for annual HICP inflation averaging 0.4%, 1.2% and 1.4% for 2020, 2021 and 2022, respectively. These results represent downward revisions of 0.8, 0.2 and 0.1 percentage points, respectively. Average longer-term inflation expectations (which, like all other longer-term expectations in this round of the SPF, refer to 2024) remained at 1.7%.

SPF respondents' expectations for growth in euro area real GDP averaged -5.5%, 4.3% and 1.7% for 2020, 2021 and 2022, respectively. These represent large revisions from the previous round of -6.6 percentage points for 2020 and +3.1 percentage points for 2021. At 1.4%, average longer-term expectations for real GDP growth were unchanged.

Average unemployment rate expectations stand at 9.4%, 8.9% and 8.4% for 2020, 2021 and 2022, respectively. These represent upward revisions of 1.9, 1.5 and 1.1 percentage points, respectively. Expectations for the unemployment rate in the longer term were also revised up by 0.4 percentage points to 7.7%.

Table: Results of the ECB Survey of Professional Forecasters for Q2 2020
(annual percentage changes, unless otherwise indicated)

Survey horizon	2020	2021	2022	Longer term (1)
HICP inflation				
SPF Q2 2020	0.4	1.2	1.4	1.7
<i>Previous SPF (Q1 2020)</i>	1.2	1.4	1.5	1.7
HICP inflation excluding energy, food, alcohol and tobacco				
SPF Q2 2020	0.8	1.1	1.3	1.6
<i>Previous SPF (Q1 2020)</i>	1.2	1.3	1.5	1.6
Real GDP growth				
SPF Q2 2020	-5.5	4.3	1.7	1.4
<i>Previous SPF (Q1 2020)</i>	1.1	1.2	1.4	1.4
Unemployment rate (2)				
SPF Q2 2020	9.4	8.9	8.4	7.7
<i>Previous SPF (Q1 2020)</i>	7.5	7.4	7.3	7.3

1) Longer-term expectations refer to 2024.

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 4 June 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 31 March and 7 April 2020 with 57 responses received – over 80% of replies were received on Monday 6 April (63%) and Tuesday 7 April (19%).
- The SPF report and data are available via the [SPF webpage](#) and via the ECB's [Statistical Data Warehouse](#).

Speaking engagements

[Media contacts](#)