

Results of the Q3 2017 ECB Survey of Professional Forecasters

PRESS RELEASE

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- HICP inflation expectations have been revised downwards for 2017, 2018 and 2019. Longer-term HICP inflation expectations remain unchanged at 1.8%.
- Expectations for HICP excluding food and energy have been revised upwards for 2017, but remained unchanged for forecast horizons further out.
- Real GDP growth expectations have been revised upwards for 2017, 2018 and 2019.
- Unemployment rate expectations have been revised downwards.

Respondents to the ECB Survey of Professional Forecasters (SPF) for the third quarter of 2017 reported average point forecasts for inflation of 1.5%, 1.4% and 1.6% in 2017, 2018 and 2019, respectively. That represents downward revisions of 0.1 percentage points at each of those three horizons. Average longer-term inflation expectations (which referred to 2022) remained unchanged at 1.8%.

Expectations for the annual inflation rate of HICP excluding food and energy were revised upwards for 2017, to 1.1%, but remained unchanged for all other forecast horizons (1.3% in 2018, 1.5% in 2019 and 1.7% in 2022).

SPF respondents revised their expectations for growth in euro area economic activity upwards for 2017 and 2018 by 0.2 percentage points to 1.9%, and 1.8%, respectively. Expectations for economic growth in 2019 were revised up by 0.1 percentage points to 1.6%. There were no changes to longer-term economic growth expectations (1.6%).

Unemployment rate expectations continued to show a declining trajectory. The average point forecasts were 9.2%, 8.8% and 8.4% for 2017, 2018 and 2019, respectively. Relative to the SPF for the second quarter of 2017, this represents downward revisions of 0.2, 0.3 and 0.3 percentage points for 2017, 2018 and 2019, respectively. The average point forecast for the longer-term unemployment rate (which referred to 2022) was revised downwards by 0.3 percentage points, to 8.1%.

Table: Results of the ECB Survey of Professional Forecasters for Q3 2017

(annual percentage changes, unless otherwise indicated)

| Survey horizon | 2017 | 2018 | 2019 | Longer term (1) |
|-----------------------|-------------|-------------|-------------|------------------------|
| HICP inflation | | | | |
| SPF Q3 2017 | 1.5 | 1.4 | 1.6 | 1.8 |

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|---|-----|-----|-----|-----|
| <i>Previous SPF (Q2 2017)</i> | 1.6 | 1.5 | 1.7 | 1.8 |
| HICP inflation excluding food and energy | | | | |
| SPF Q3 2017 | 1.1 | 1.3 | 1.5 | 1.7 |
| <i>Previous SPF (Q2 2017)</i> | 1.0 | 1.3 | 1.5 | 1.7 |
| Real GDP growth | | | | |
| SPF Q3 2017 | 1.9 | 1.8 | 1.6 | 1.6 |
| <i>Previous SPF (Q2 2017)</i> | 1.7 | 1.6 | 1.5 | 1.6 |
| Unemployment rate (2) | | | | |
| SPF Q3 2017 | 9.2 | 8.8 | 8.4 | 8.1 |
| <i>Previous SPF (Q2 2017)</i> | 9.4 | 9.1 | 8.7 | 8.4 |

1) Longer-term expectations refer to 2022 in the Q3 2017 SPF and to 2021 in the Q2 2017 SPF.

2) As a percentage of the labour force.

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- *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 7 September 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 third quarter of 2017 was conducted between 3 and 7 July. The total number of responses was 56, broadly comparable with the average number of responses to surveys in the third quarter of a year (54).*
- *The SPF report and data are available via the [SPF webpage](#) and via the ECB's [Statistical Data Warehouse](#).*

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