



*In 2018, Danmarks Nationalbank will be celebrating its 200th anniversary. Danmarks Nationalbank's overall objective has been more or less unchanged during its 200-year life – to "maintain a safe and secure currency system". But how this is achieved has changed over the years, and tasks are still evolving.*

*In 2007, Danmarks Nationalbank began to publish projections of the Danish economy. They are part of Danmarks Nationalbank's ongoing assessment of the Danish economy, which provides a basis for its initiatives and recommendations.*

# Why Danmarks Nationalbank makes economic projections

Danmarks Nationalbank must identify in a timely manner whether economic developments and economic policy entail risks in terms of price development, credit development and the stability of the financial system. That is why Danmarks Nationalbank prepares economic projections.

The projections are an important element of Danmarks Nationalbank's three main objectives: to contribute to ensuring stable prices, safe payments and a stable financial system. Danmarks Nationalbank promotes stable prices by conducting a fixed exchange rate policy vis-à-vis the euro.

Economic projections are an important tool when planning and assessing economic policy, but even the best projections will be subject to considerable uncertainty.

A projection should give as accurate a picture as possible of the position of the economy, where it is heading and whether imbalances are building up.

Danmarks Nationalbank has analysed and prepared forecasts of the Danish economy for many decades but did not begin to publish actual projections of growth, employment and other key economic indicators until 2007.

In the 1970s, Danmarks Nationalbank developed quarterly national accounts before Statistics Denmark began doing so. The aim was to provide an overall picture of the position of the Danish economy, based on all available indicators. This extensive data compilation and processing led to the introduction of Danmarks Nationalbank's macroeconomic model, MONA, which was constructed in the late 1980s and has been revised on a regular basis since then.

## Real GDP growth, per cent

