

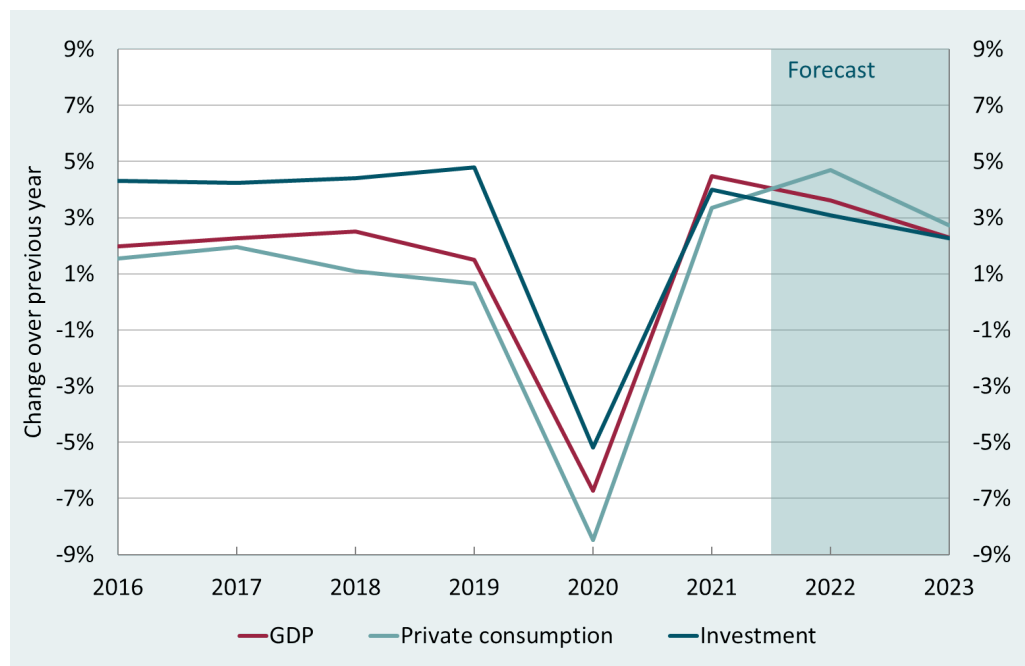
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Spring Forecast of the Austrian Economy 2022–2023

War in Ukraine weighs on upswing

The war in Ukraine and the sanctions imposed on Russia are weighing on the global economy. The sharp increase in uncertainty has put further pressure on already high commodity and energy prices. The sanctions are leading to a decline in exports, and supply chain disruptions are likely to intensify, at least in the short term. As a result, the post-pandemic economic recovery is slowing. The IHS has lowered its forecast for GDP growth to 3.6 % this year and 2.3 % next year. Driven primarily by high energy prices, inflation is expected to reach 5.5 % in 2022 and 2.3 % in 2023, respectively, significantly more than expected in December. The current economic forecast is subject to a high degree of uncertainty and considerable downside risks. Policy measures targeted to cushion the impact of high inflation should be properly implemented and should not counteract the allocative effects of high prices for fossil fuels.

Figure 1: GDP, private consumption, investment



Sources: Statistics Austria, from 2022 IHS forecast

Table 1: Main results*Change over previous year in percent*

	2021	2022	2023
Gross domestic product, real	4.5	3.6	2.3
Private consumption, real	3.3	4.7	2.7
Gross capital formation, real	6.0	2.5	2.2
Gross fixed capital formation, real	4.0	3.1	2.3
of which: equipment, real	4.8	3.6	2.5
of which: construction, real	3.1	2.5	2.0
Domestic demand, real	5.1	2.6	2.1
Exports of goods and services, real	12.7	5.5	4.4
of which: goods, real	17.6	2.0	4.0
of which: tourism, real	-29.8	105.0	14.0
Imports of goods and services, real	14.5	3.9	4.1
of which: goods, real	16.1	2.5	4.3
of which: tourism, real	81.1	50.0	2.0
Employment (employees)	2.5	3.0	1.1
Unemployment rate: national definition ⁱ	8.0	6.5	6.3
Unemployment rate: Eurostat definition ⁱ	6.2	5.0	4.8
Compensation per employee	2.9	3.4	4.5
GDP deflator	1.8	3.1	2.5
Consumer price index	2.8	5.5	2.3
Budget balance in % of GDP (Maastricht definition) ⁱ	-5.8	-2.3	-1.7
3-month Euribor ⁱ	-0.5	-0.2	0.5
10-year government bond yield ⁱ	-0.3	0.7	1.2

ⁱabsolute values

Sources: Statistics Austria, Refinitiv Datastream, from 2022 IHS forecast

Table 2: International environment
Change over previous year in percent

	2019	2020	2021	2022	2023
GDP, real					
Germany	1.1	-4.6	2.9	2.5	3.5
Italy	0.5	-9.0	6.6	3.3	2.0
France	1.8	-7.9	7.0	3.4	2.0
United Kingdom	1.7	-9.4	7.5	4.4	1.6
Switzerland	1.2	-2.5	3.7	2.9	1.8
USA	2.3	-3.4	5.7	3.4	2.0
Japan	-0.2	-4.5	1.6	2.5	1.3
China	6.0	2.2	8.1	5.3	5.0
Poland	4.7	-2.5	5.7	4.0	3.8
Slovakia	2.6	-4.4	3.0	3.0	4.0
Czech Republic	3.0	-5.8	3.3	3.0	3.5
Hungary	4.6	-4.7	7.1	3.5	4.0
Slovenia	3.3	-4.2	8.1	3.8	3.5
MOEL-5 ⁱ	4.1	-3.7	5.3	3.6	3.8
Bulgaria	4.0	-4.4	4.2	3.3	3.5
Romania	4.2	-3.7	5.9	3.8	4.0
Croatia	3.5	-8.1	10.4	3.8	4.0
Russia	2.0	-3.0	4.7	-10.0	-2.0
Euro area	1.6	-6.4	5.3	3.3	2.7
NMS-6 ⁱⁱ	4.2	-3.9	5.6	3.7	3.8
EU-27	1.8	-5.9	5.3	3.4	2.8
OECD	1.7	-4.7	5.1	3.4	2.4
World	2.7	-3.4	5.6	3.7	3.2
World trade (goods, CPB)	-0.3	-5.3	10.3	3.0	3.5
Austrian export markets	2.3	-8.7	8.9	3.5	4.2
USD/EUR exchange rate ⁱⁱⁱ	1.12	1.14	1.18	1.10	1.10
Oil price (Brent, USD/barrel) ⁱⁱⁱ	64.3	42.8	70.7	104.0	90.0

ⁱMOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia

ⁱⁱNMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia

ⁱⁱⁱabsolute values

Sources: Eurostat, IMF, OECD, CPB, national statistical offices, from 2022 IHS forecast

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