

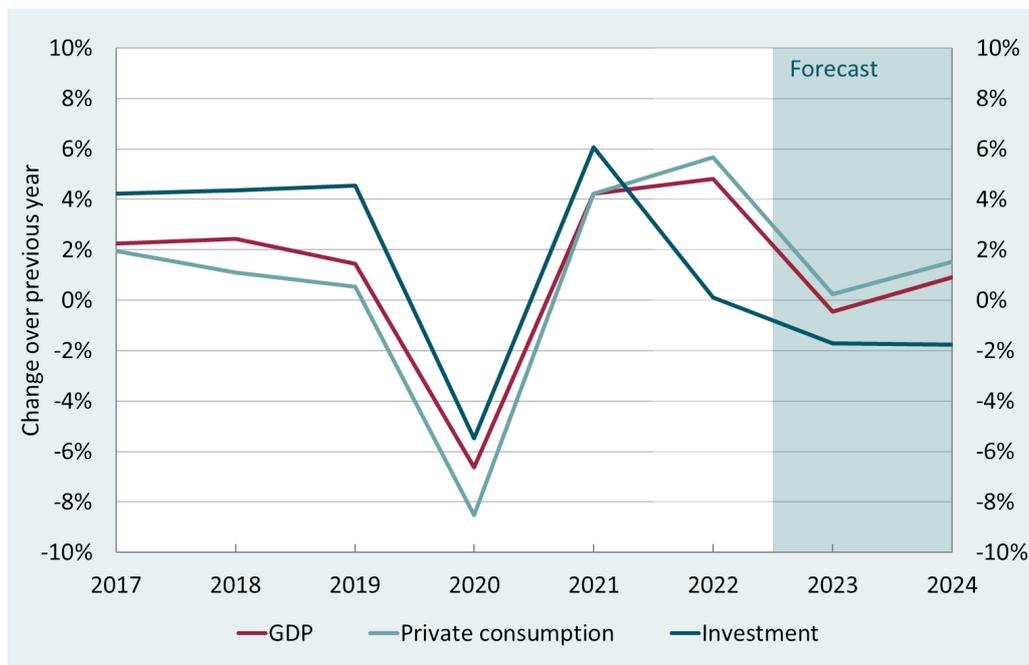
Embargo: October 6, 2023, 10:00 a.m.

Autumn Forecast of the Austrian Economy 2023–2024

Mild recession followed by a restrained upswing

The Austrian economy is currently in a recession. Against the backdrop of high inflation, restrictive monetary policy and the weak international economy, real GDP in Austria is expected to shrink by 0.4 % this year. Next year, a strengthening of the global economy and strong growth in private consumption are expected, supported by rising real income. As a result, in 2024 GDP should increase by 0.9 %. Inflation, measured by the consumer price index, is expected to reach 7.8 % this year and 4.2 % in 2024. With unemployment rates of 6.5 % and 6.8 %, the Austrian labor market is likely to remain robust. A stronger deterioration of the domestic labor market due to sharply rising unit labor costs, or a failure of global industrial production to pick up could jeopardize the upswing next year.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2023 IHS forecast

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

	2022	2023	2024
Gross domestic product, real	4.8	-0.4	0.9
Private consumption, real	5.7	0.2	1.5
Gross capital formation, real	-0.7	-2.4	-1.4
Gross fixed capital formation, real	0.1	-1.7	-1.8
of which: equipment, real	2.0	1.0	-2.0
of which: construction, real	-2.0	-4.8	-1.5
Domestic demand, real	2.9	-0.8	0.4
Exports of goods and services, real	11.2	1.0	2.1
of which: goods, real	7.1	0.0	2.0
of which: tourism, real	96.2	15.0	1.6
Imports of goods and services, real	7.9	0.5	1.4
of which: goods, real	5.1	-1.0	0.8
of which: tourism, real	57.0	5.0	2.7
Employment (employees)	3.0	1.1	0.5
Unemployment rate: national definition ⁱ	6.3	6.5	6.8
Unemployment rate: Eurostat definition ⁱ	4.8	5.2	5.5
Compensation per employee	4.7	7.8	6.8
GDP deflator	4.3	6.6	4.0
Consumer price index	8.6	7.8	4.2
Budget balance in % of GDP (Maastricht definition) ⁱ	-3.5	-3.0	-1.9
3-month Euribor ⁱ	0.3	3.4	3.7
10-year government bond yield ⁱ	1.7	3.2	3.4

ⁱabsolute values

Source: Statistics Austria, Refinitiv Datastream, from 2023 IHS forecast

Table 2: International environment
Change over previous year in percent

	2020	2021	2022	2023	2024
GDP, real					
Germany	-3.8	3.2	1.8	-0.6	1.1
Italy	-9.0	8.3	3.7	0.7	0.8
France	-7.5	6.4	2.5	0.8	1.2
United Kingdom	-10.4	8.7	4.3	0.3	0.8
Switzerland	-2.1	5.4	2.6	0.8	1.7
USA	-2.8	5.9	2.1	2.0	1.3
Japan	-4.2	2.2	1.0	1.8	1.0
China	2.2	8.4	3.0	5.0	4.6
Poland	-2.0	6.9	5.1	0.3	2.5
Slovakia	-3.3	4.9	1.7	1.5	2.3
Czech Republic	-5.5	3.6	2.4	0.3	2.3
Hungary	-4.5	7.2	4.6	-0.8	2.5
Slovenia	-4.2	8.2	2.5	1.6	2.3
MOEL-5 ⁱ	-3.2	6.2	4.4	0.3	2.4
Bulgaria	-4.0	7.6	3.4	1.8	3.0
Romania	-3.7	5.8	4.7	2.8	3.3
Croatia	-8.5	13.1	6.2	2.6	2.5
Russia	-2.7	5.6	-2.1	2.0	1.0
Euro area	-6.1	5.6	3.3	0.4	1.3
NMS-5 ⁱⁱ	-3.3	6.2	4.4	0.7	2.7
EU-27	-5.6	5.7	3.4	0.4	1.4
OECD	-4.4	5.7	3.0	1.4	1.6
World	-3.1	6.1	3.3	2.7	2.8
World trade (goods, CPB)	-5.1	10.4	3.2	-1.7	2.0
Austrian export markets	-8.5	10.2	6.9	-0.3	2.0
USD/EUR exchange rate ⁱⁱⁱ	1.14	1.18	1.05	1.08	1.08
Oil price (Brent, USD/barrel) ⁱⁱⁱ	42.8	70.7	100.8	85.0	87.0

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

ⁱⁱNMS-5: Poland, Czech Republic, Hungary, Bulgaria, Romania

ⁱⁱⁱabsolute values

Source: Eurostat, IMF, OECD, CPB, national statistical offices, Refinitiv Datastream, from 2023 IHS forecast

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