

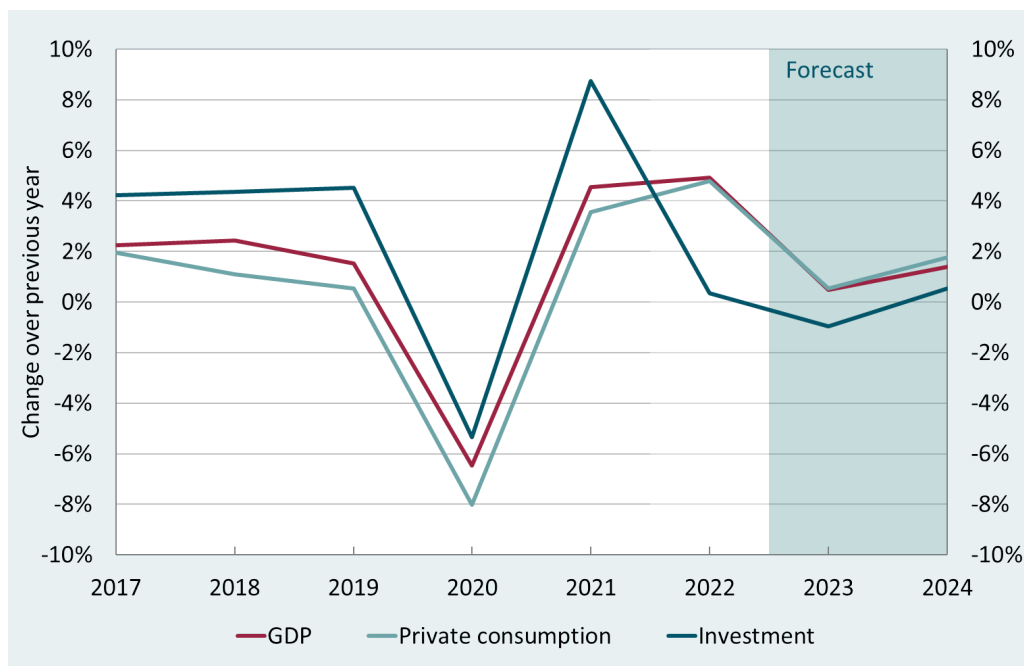
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# Summer Forecast of the Austrian Economy 2023–2024

## A return to a moderate growth path

After a period of strong growth, the Austrian economy has been in stagflation since mid-2022. However, as inflationary pressures ease and the international economy brightens, domestic output growth should pick up again by the end of 2023. Within the coming year, sharply increasing real income should strengthen private consumption. Therefore, unchanged from spring, the IHS expects GDP growth rates of 0.5% and 1.4% for 2023 and 2024, respectively. The inflation rate is expected to reach 7.5 % this year and fall to 4.0 % next year. This means that inflation will decline more slowly in the coming year than expected in March. With unemployment rates of 6.5 % and 6.3 %, respectively, the labor market remains robust. Against the background of high core inflation and the future burden on public budgets due to an ageing population and the energy transition, a more restrictive fiscal stance is inevitable.

**Figure 1: GDP, private consumption, investment**



Sources: Statistics Austria, from 2023 IHS forecast

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

	2022	2023	2024
Gross domestic product, real	4.9	0.5	1.4
Private consumption, real	4.8	0.5	1.8
Gross capital formation, real	-2.4	0.2	1.7
Gross fixed capital formation, real	0.3	-1.0	0.5
of which: equipment, real	1.9	0.0	2.0
of which: construction, real	-1.4	-2.0	-1.0
Domestic demand, real	2.1	0.0	1.4
Exports of goods and services, real	12.6	2.1	3.0
of which: goods, real	8.7	1.0	3.0
of which: tourism, real	96.8	16.8	1.6
Imports of goods and services, real	7.6	1.4	3.0
of which: goods, real	4.0	0.2	3.0
of which: tourism, real	58.2	5.0	2.7
Employment (employees)	3.0	1.1	1.1
Unemployment rate: national definition <sup>i</sup>	6.3	6.5	6.3
Unemployment rate: Eurostat definition <sup>i</sup>	4.8	5.2	5.0
Compensation per employee	4.5	7.0	6.0
GDP deflator	4.9	7.2	4.2
Consumer price index	8.6	7.5	4.0
Budget balance in % of GDP (Maastricht definition) <sup>i</sup>	-3.2	-2.6	-1.6
3-month Euribor <sup>i</sup>	0.3	3.5	3.7
10-year government bond yield <sup>i</sup>	1.7	3.2	3.4

<sup>i</sup>absolute values

Sources: 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	-3.7	2.6	1.8	-0.2	1.8
Italy	-9.0	7.0	3.7	1.2	1.0
France	-7.5	6.4	2.5	0.8	1.3
United Kingdom	-11.0	7.6	4.1	0.2	1.0
Switzerland	-2.5	4.2	2.1	0.8	1.9
USA	-2.8	5.9	2.1	1.3	1.3
Japan	-4.3	2.2	1.0	1.5	1.0
China	2.2	8.4	3.0	5.3	4.8
Poland	-2.0	6.9	5.1	1.3	2.5
Slovakia	-3.3	4.9	1.7	1.5	2.3
Czech Republic	-5.5	3.6	2.5	0.3	2.3
Hungary	-4.5	7.2	4.6	0.5	2.5
Slovenia	-4.3	8.2	5.4	1.3	2.3
MOEL-5 <sup>i</sup>	-3.3	6.1	4.2	1.0	2.4
Bulgaria	-4.0	7.6	3.4	1.3	3.0
Romania	-3.7	5.8	4.7	2.8	3.3
Croatia	-8.5	13.1	6.2	2.2	2.5
Russia	-2.7	5.6	-2.1	-2.0	1.0
Euro area	-6.1	5.3	3.5	0.6	1.5
NMS-5 <sup>ii</sup>	-3.4	6.2	4.4	1.3	2.7
EU-27	-5.6	5.4	3.5	0.7	1.6
OECD	-4.4	5.7	3.0	1.2	1.7
World	-3.1	6.1	3.3	2.6	2.9
World trade (goods, CPB)	-5.1	10.4	3.2	0.5	3.5
Austrian export markets	-8.5	10.2	6.9	1.0	3.0
USD/EUR exchange rate <sup>iii</sup>	1.14	1.18	1.05	1.08	1.09
Oil price (Brent, USD/barrel) <sup>iii</sup>	42.8	70.7	100.8	77.0	72.0

<sup>i</sup>MOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia

<sup>ii</sup>NMS-5: Poland, Czech Republic, Hungary, Bulgaria, Romania

<sup>iii</sup>absolute values

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

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