

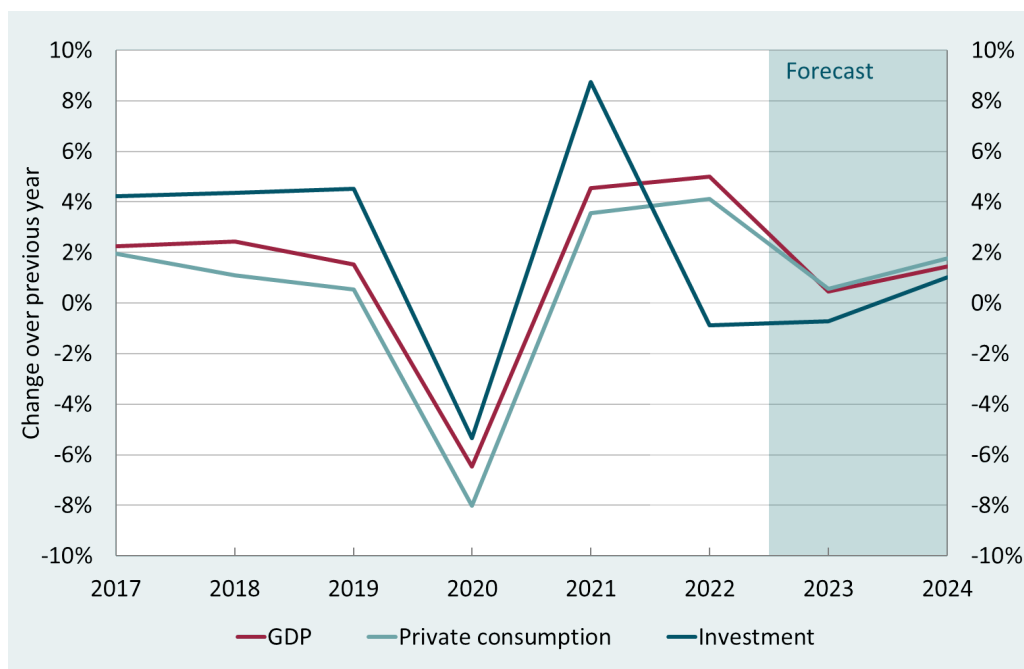
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# Spring Forecast of the Austrian Economy 2023–2024

## A robust labor market supports the economy

In Austria, real GDP has been stagnating since mid-2022. High inflation as a result of energy prices, elevated uncertainty and weak international demand are all weighing on the domestic economy. With global demand picking up and inflationary pressure easing, the Austrian economy should return to a stable growth path in the second half of 2023. The Institute thus expects growth rates of 0.5% and 1.4% for 2023 and 2024, respectively. Inflation should peak at 7.5% this year and is projected to decline to 3.5% next year. The unemployment rate is expected to remain low in 2023 and 2024, at around 6.3%. Against the background of high inflation and future burdens on public budgets, a restrictive fiscal policy is urgently needed.

**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	5.0	0.5	1.4
Private consumption, real	4.1	0.6	1.8
Gross capital formation, real	-2.0	0.1	2.1
Gross fixed capital formation, real	-0.9	-0.7	1.0
of which: equipment, real	-0.8	0.0	2.0
of which: construction, real	-1.0	-1.5	0.0
Domestic demand, real	2.0	0.1	1.3
Exports of goods and services, real	11.1	1.7	3.2
of which: goods, real	7.5	1.0	3.0
of which: tourism, real	86.9	14.0	6.0
Imports of goods and services, real	5.7	1.1	3.2
of which: goods, real	2.8	0.7	3.3
of which: tourism, real	44.6	10.0	2.0
Employment (employees)	3.0	1.0	0.9
Unemployment rate: national definition <sup>i</sup>	6.3	6.3	6.2
Unemployment rate: Eurostat definition <sup>i</sup>	4.8	4.9	4.8
Compensation per employee	4.5	7.5	6.3
GDP deflator	5.0	6.4	3.7
Consumer price index	8.6	7.5	3.5
Budget balance in % of GDP (Maastricht definition) <sup>i</sup>	-3.1	-2.9	-2.3
3-month Euribor <sup>i</sup>	0.3	3.6	3.9
10-year government bond yield <sup>i</sup>	1.7	3.4	3.7

<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	0.5	1.0
France	-7.8	6.8	2.6	0.6	1.3
United Kingdom	-11.0	7.6	4.0	-0.5	1.0
Switzerland	-2.5	4.2	2.1	0.8	1.9
USA	-2.8	5.9	2.1	1.1	1.3
Japan	-4.3	2.1	1.0	1.7	1.0
China	2.2	8.4	3.0	5.3	4.0
Poland	-2.0	6.8	4.9	0.8	2.5
Slovakia	-3.4	3.0	1.7	0.7	2.3
Czech Republic	-5.5	3.6	2.4	0.3	2.3
Hungary	-4.5	7.1	4.6	0.5	2.5
Slovenia	-4.3	8.2	5.4	1.3	2.3
MOEL-5 <sup>i</sup>	-3.2	5.9	4.1	0.7	2.4
Bulgaria	-4.0	7.6	3.4	1.3	3.0
Romania	-3.7	5.8	4.8	2.8	3.3
Croatia	-8.6	13.1	6.3	1.5	2.5
Russia	-2.7	5.6	-2.1	-2.8	1.0
Euro area	-6.1	5.4	3.5	0.6	1.5
NMS-6 <sup>ii</sup>	-3.5	6.5	4.4	1.3	2.6
EU-27	-5.6	5.4	3.5	0.6	1.6
OECD	-4.4	5.6	2.8	1.1	1.6
World	-3.2	6.2	3.4	2.6	2.9
World trade (goods, CPB)	-5.1	10.3	3.2	1.3	3.7
Austrian export markets	-8.5	10.0	6.0	1.3	3.3
USD/EUR exchange rate <sup>iii</sup>	1.14	1.18	1.05	1.08	1.08
Oil price (Brent, USD/barrel) <sup>iii</sup>	42.8	70.7	100.8	82.0	77.0

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

<sup>ii</sup>NMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia

<sup>iii</sup>absolute values

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

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