

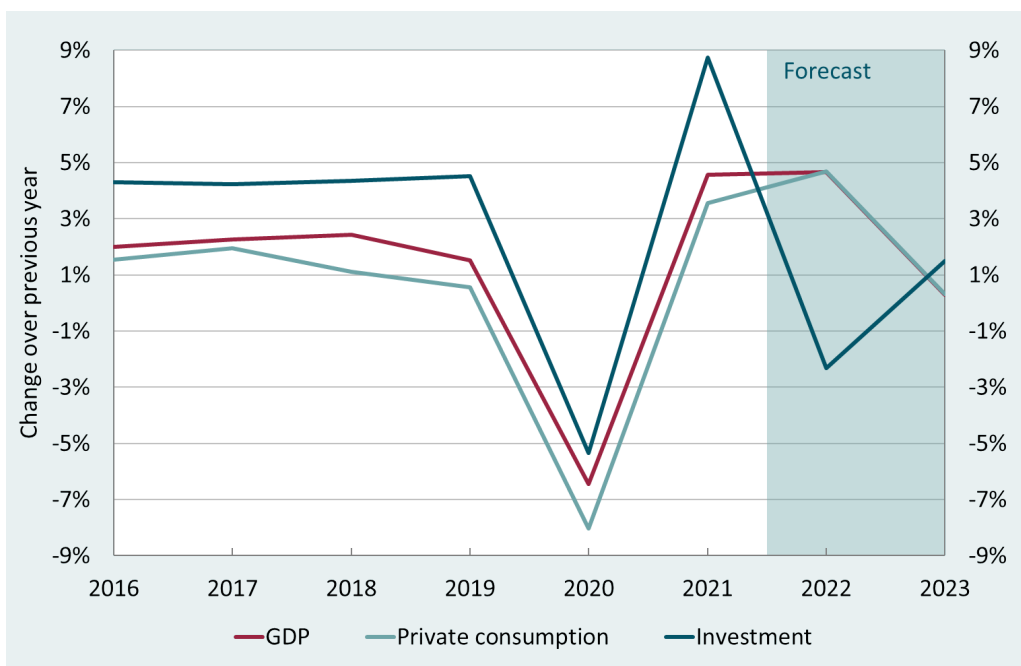
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# Autumn Forecast of the Austrian Economy 2022–2023

## Stagflation due to distortions in energy markets

The severe rise in inflation, exacerbated by the war against Ukraine, and high uncertainty weigh on the global economy. However, due to extremely strong growth in the first half of the year, the Austrian economy is expected to expand by 4.7% this year. For the coming year, growth of only 0.3% is expected. Driven by high energy prices, and in line with international developments, the domestic inflation rate is expected to average 8.5% this year and remain very high at 6.8% next year. The unemployment rate is expected to rise from 6.4% this year to 6.7% next year. Fiscal policy remains expansionary, but IHS believes that additional burdens on the budget should be avoided.

**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	4.6	4.7	0.3
Private consumption, real	3.6	4.7	0.3
Gross capital formation, real	11.4	-2.8	0.5
Gross fixed capital formation, real	8.7	-2.3	1.5
of which: equipment, real	11.3	-3.5	2.0
of which: construction, real	5.8	-1.0	1.0
Domestic demand, real	6.5	2.2	0.1
Exports of goods and services, real	9.6	10.9	1.9
of which: goods, real	12.9	8.0	1.0
of which: tourism, real	-32.5	95.0	20.0
Imports of goods and services, real	13.7	6.9	1.6
of which: goods, real	14.2	6.3	1.5
of which: tourism, real	60.0	32.0	10.0
Employment (employees)	2.5	2.8	0.4
Unemployment rate: national definition <sup>i</sup>	8.0	6.4	6.7
Unemployment rate: Eurostat definition <sup>i</sup>	6.2	4.7	4.9
Compensation per employee	2.2	4.5	7.3
GDP deflator	1.9	4.6	5.0
Consumer price index	2.8	8.5	6.8
Budget balance in % of GDP (Maastricht definition) <sup>i</sup>	-5.9	-3.3	-2.7
3-month Euribor <sup>i</sup>	-0.5	0.3	3.3
10-year government bond yield <sup>i</sup>	-0.1	1.8	3.2

<sup>i</sup>absolute 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	-3.7	2.6	1.4	-0.4
Italy	0.5	-9.0	6.6	3.2	0.5
France	1.8	-7.8	6.8	2.4	0.8
United Kingdom	1.6	-11.0	7.5	3.4	0.1
Switzerland	1.2	-2.5	4.2	2.2	1.0
USA	2.3	-2.8	5.9	1.6	0.7
Japan	-0.4	-4.5	1.7	1.5	1.3
China	6.0	2.2	8.1	3.0	4.5
Poland	4.7	-2.2	5.9	4.0	1.3
Slovakia	2.5	-4.4	3.0	1.8	1.0
Czech Republic	3.0	-5.5	3.5	2.5	1.0
Hungary	4.9	-4.5	7.1	5.3	1.0
Slovenia	3.5	-4.3	8.2	5.0	1.3
MOEL-5 <sup>i</sup>	4.1	-3.5	5.5	3.8	1.2
Bulgaria	4.0	-4.4	4.2	2.3	1.8
Romania	4.2	-3.7	5.9	5.3	3.0
Croatia	3.5	-8.1	10.2	6.5	2.8
Russia	2.2	-2.7	4.7	-5.0	-3.5
Euro area	1.6	-6.1	5.2	3.1	0.3
NMS-6 <sup>ii</sup>	4.3	-3.6	5.8	4.2	1.6
EU-27	1.8	-5.7	5.3	3.2	0.4
OECD	1.7	-4.6	5.5	2.5	0.7
World	2.7	-3.4	5.8	3.0	2.1
World trade (goods, CPB)	-0.3	-5.2	10.2	4.0	1.7
Austrian export markets	2.3	-8.7	9.9	5.5	0.8
USD/EUR exchange rate <sup>iii</sup>	1.12	1.14	1.18	1.04	0.98
Oil price (Brent, USD/barrel) <sup>iii</sup>	64.3	42.8	70.7	100.0	85.0

<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 2022 IHS forecast

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