

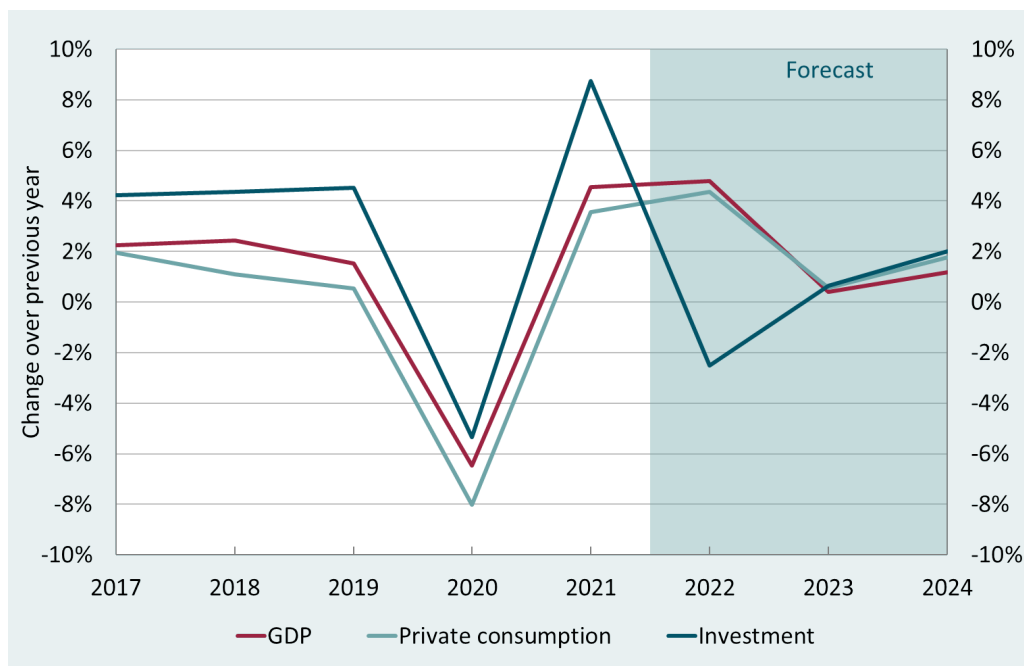
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Winter Forecast of the Austrian Economy 2022–2024

Resilient economy in a difficult environment

In 2022, real GDP in Austria is expected to have grown by 4.8 %. Since the middle of the year, however, economic growth has lost momentum due to the sharp rise in energy prices, high uncertainty, and the weaker international demand. After a growth dip in the winter, in Spring the Austrian economy should return to a stable growth path, supported by the expected easing of inflationary pressure. Consequently, the Institute for Advanced Studies expects GDP to grow by 0.4 % in 2023 and 1.2 % in 2024, respectively. After 8.5 % in the current year, inflation is expected to fall to 6.7 % and 3.5 %, respectively, in the coming two years. Despite the unfavorable economic situation, the unemployment rate should remain low at around 6.5 % in the next two years. According to the institute’s recommendations, structural reforms are essential to secure the sustainability of public finances.

Figure 1: GDP, private consumption, investment



Sources: Statistics Austria, from 2022 IHS forecast

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

	2022	2023	2024
Gross domestic product, real	4.8	0.4	1.2
Private consumption, real	4.4	0.6	1.8
Gross capital formation, real	-3.2	0.9	2.6
Gross fixed capital formation, real	-2.5	0.7	2.0
of which: equipment, real	-3.5	1.0	3.0
of which: construction, real	-1.4	0.3	1.0
Domestic demand, real	1.8	0.3	1.5
Exports of goods and services, real	9.0	1.8	2.9
of which: goods, real	4.8	1.0	2.8
of which: tourism, real	97.5	16.0	4.0
Imports of goods and services, real	3.9	1.7	3.6
of which: goods, real	1.6	1.5	3.8
of which: tourism, real	45.0	10.0	2.0
Employment (employees)	2.9	0.3	0.8
Unemployment rate: national definition ⁱ	6.3	6.6	6.5
Unemployment rate: Eurostat definition ⁱ	4.8	4.9	4.9
Compensation per employee	4.6	7.5	4.3
GDP deflator	4.7	5.6	3.0
Consumer price index	8.5	6.7	3.5
Budget balance in % of GDP (Maastricht definition) ⁱ	-3.3	-2.7	-2.1
3-month Euribor ⁱ	0.3	3.2	3.4
10-year government bond yield ⁱ	1.7	3.1	3.5

ⁱabsolute values

Sources: Statistics Austria, Refinitiv Datastream, from 2022 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	1.5
Italy	-9.0	6.7	3.8	0.5	1.0
France	-7.8	6.8	2.6	0.6	1.3
United Kingdom	-11.0	7.5	4.2	-0.8	0.5
Switzerland	-2.4	4.2	2.1	0.7	1.5
USA	-2.8	5.9	1.8	0.7	1.3
Japan	-4.6	1.6	1.5	1.7	1.0
China	2.2	8.1	3.0	4.5	4.0
Poland	-2.0	6.8	5.3	1.3	2.5
Slovakia	-3.4	3.0	1.5	0.7	2.3
Czech Republic	-5.5	3.5	2.5	0.3	2.8
Hungary	-4.5	7.1	5.0	0.2	2.5
Slovenia	-4.3	8.2	5.0	1.3	2.3
MOEL-5 ⁱ	-3.2	5.9	4.4	0.9	2.5
Bulgaria	-4.0	7.6	3.5	1.3	3.0
Romania	-3.7	5.1	4.8	2.5	3.3
Croatia	-8.6	13.1	5.8	2.0	2.5
Russia	-2.7	4.7	-3.0	-4.0	0.0
Euro area	-6.1	5.3	3.3	0.5	1.4
NMS-6 ⁱⁱ	-3.5	6.3	4.7	1.3	2.7
EU-27	-5.7	5.4	3.4	0.6	1.5
OECD	-4.4	5.6	2.8	0.9	1.6
World	-3.2	5.9	3.1	2.2	2.8
World trade (goods, CPB)	-5.2	10.2	4.0	1.7	4.0
Austrian export markets	-8.7	9.9	5.0	1.5	3.5
USD/EUR exchange rate ⁱⁱⁱ	1.14	1.18	1.05	1.05	1.05
Oil price (Brent, USD/barrel) ⁱⁱⁱ	42.8	70.7	101.0	84.0	79.0

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, Refinitiv Datastream, from 2022 IHS forecast

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