

## OeNB REPORTS

# ECONOMIC OUTLOOK FOR AUSTRIA

December 2023

Consumption  
bolsters  
recovery  
in 2024



# Consumption bolsters recovery in 2024

## Economic outlook for Austria from 2023 to 2026 (December 2023)

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The Austrian economy has been in recession since the second half of 2022. This is due to fading catch-up effects following the end of the COVID-19 pandemic, higher energy prices in the wake of Russia's war of aggression against Ukraine, high domestic inflation as well as the weak international environment, among other factors. Leading indicators consistently show that the economy has not quite bottomed out yet, pointing to a further slight contraction in the fourth quarter of 2023.

For 2023 as a whole, the OeNB expects real GDP to contract by 0.7%, mainly because of declining investment, lower private consumption and weak inventory buildup. Investment has been dampened by higher financing costs, high energy prices and pessimistic expectations. This is particularly evident in residential construction investment, which has suffered the sharpest decline. For 2024, we expect moderate positive GDP growth of 0.6%, mainly driven by stronger consumer demand on the back of lagged inflation-related wage and pension increases and falling inflation. In 2025 and 2026, the economy is expected to grow by 1.7% and 1.3%, respectively, aided by consumption, investment and stronger export growth. As a result of the recession, the situation on the labor market has deteriorated as well. The unemployment rate as defined by the Public Employment Service Austria (AMS) will increase from 6.3% in 2022 to 6.8% in 2024.

HICP inflation will reach 7.7% in Austria in 2023, a level well above the euro area average. This is mainly due to the lagged pass-through of falling energy prices, as well as strong services and food price inflation. Inflation is expected to come down to 4.0%, 3.0% and 2.5%, respectively, in 2024, 2025 and 2026 as energy price pressures ease.

With the expiration of COVID-19-related measures, the public budget deficit is set to improve significantly, to -2.6%, in 2023. Despite improving economic activity, the deficit will remain close to the 3% deficit threshold in the subsequent years. The debt ratio will only improve marginally over the forecast horizon. The risks to the growth outlook are predominantly tilted toward the downside. They include a further intensification of the conflict in the Middle East and a larger loss of export market shares in the wake of deteriorating price competitiveness. The risks to the inflation outlook appear balanced.

Table 1

### OeNB December 2023 outlook for Austria – main results

	2022	2023	2024	2025	2026
	Annual change in % (real)				
Gross domestic product (GDP)	4.8	-0.7	0.6	1.7	1.3
Harmonised Index of Consumer Prices (HICP)	8.6	7.7	4.0	3.0	2.5
Unemployment rate (national definition)	6.3	6.5	6.8	6.6	6.5
	% of nominal GDP				
Current account balance	-0.3	2.4	2.1	2.3	2.3
Budget balance	-3.5	-2.6	-2.7	-2.8	-2.8
Government debt	78.4	76.6	76.4	75.6	75.5

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

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## I Exports only weakly support expected economic upswing

Austria's external environment became increasingly gloomy in the course of 2022 because of the war in Ukraine and ongoing supply bottlenecks that only gradually started to ease. At the moment, persistently high inflation and the impact of global monetary policy tightening are the main factors weighing on global activity. As a result, global growth has remained very subdued in 2023. This is particularly evident in the advanced economies, where growth has almost halved compared to 2022, though some stimuli came from the United States on the back of strong domestic demand. In the euro area, on the other hand, the recovery has almost come to a standstill in 2023, with real GDP growth of 0.6%. In Germany, Austria's most important trading partner, economic output even contracted by 0.1% in 2023. An important driver of this slowdown is weak global trade, which almost stagnated in 2023 with growth of 0.7%.

Following a recovery in 2022, Austrian exports expanded only weakly in real terms in the first three quarters of 2023. Leading indicators currently suggest that export activity will stabilize at a low level in the coming months. While export order books are still showing a slight downward trend, the earlier decline in incoming export orders has stopped and there has been a stabilization for some months now.

Our forecast is based on the assumption of a recovery in global trade from 2024 onward. However, at just over 3% annually from 2024 to 2026, the expected growth is only moderate. Against this background, real exports of goods and services are expected to only record weak growth of 1.8% in 2023. We do not expect tourism to provide major stimuli via further catch-up effects over the forecast horizon, as the number of overnight stays observed from January to October 2023 was already very close to the level last seen in 2019.

Unit labor cost (ULC) will grow by 5.8% per year on average over the forecast horizon (2023–2026), which is 2.1 percentage points above average euro area growth. Stronger ULC growth is causing Austria's price competitiveness to decline, leading to a loss of market shares. This and the assumed weak recovery in world trade will result in an average annual increase in real net exports of 2.1% from 2024 to 2026. Overall, Austrian real export growth rates will remain well below the long-term average observed prior to the COVID-19 pandemic (1999–2019: 4.2%). The deterioration in the terms of trade caused by energy price increases will be partially offset in 2023. The current account is therefore recovering following its slump in 2022 and will be back in surplus over the forecast horizon.

Table 2

### Foreign trade and current account

	2022	2023	2024	2025	2026
	<i>Annual change in %</i>				
Exports of goods	11.6	1.8	1.5	2.2	2.6
Imports of goods and services	8.1	-1.3	2.2	2.6	3.0
	<i>% of nominal GDP</i>				
Current account balance	-0.3	2.4	2.1	2.3	2.3

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

## 2 Unfavorable conditions for investment

Investment growth slowed down significantly in 2022 due to a number of factors. In addition to higher financing costs and high energy costs, the war in Ukraine led to a deterioration in business sentiment. This is reflected in a marked decline in confidence indicators, which have fallen significantly from their peak in mid-2021.

Investment in equipment – which was already highly volatile in 2021 and 2022 – plummeted in the first and third quarters of 2023. For 2023, this will result in a decrease of 4.8%; in 2024, investment will remain weak and there will be a further decrease of 1.5%. In 2025 and 2026, investment in equipment is expected to follow the business cycle and accelerate, though moderately as a result of higher financing costs.

As R&D investment is to a large extent internally funded, it was robust to interest rate increases in 2022 and 2023. Although growth slowed down in these two years compared to 2021 (12.5%), it remained strong at 5.2% and 4.3%, respectively. As a result of weaker growth in mid-2023, we expect a further slowdown to 2.6% in 2024.

Table 3

### Investment

	2022	2023	2024	2025	2026
	<i>Annual change in %</i>				
Total gross fixed capital formation (real)	0.3	-2.7	-0.2	2.9	2.3
Investment in plant and equipment	-0.1	-4.8	-1.5	2.4	1.9
Investment in research and development	5.2	4.3	2.6	3.7	4.0
Residential construction investment	2.9	-8.4	-4.5	3.8	2.4
Nonresidential construction investment and other investment	-5.7	-1.6	1.7	1.7	0.6

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

Residential construction investment is most affected by the rise in financing costs, with interest rate increases coinciding with the end of the residential construction cycle. Residential construction peaked in 2022, with 77,300 newly completed homes. However, already at the time, the number of building permits indicated an imminent decline in construction activity. Mirroring the situation in Germany and the euro area as a whole, new housing loans in Austria dropped sharply in the course of 2022 and, in the second quarter of 2023, were 62% lower than in the same quarter of the preceding year. As a result, residential construction investment has contracted since the second quarter of 2022. While the strong first quarter ensured positive growth in 2022 as a whole, residential construction investment will fall by 8.4% in 2023. A further decline by 4.5% is expected in 2024, before growth will enter positive territory again in 2025 and 2026.

Other construction investment (nonresidential construction and civil engineering) has been falling steadily since its peak in 2019. Up to and including 2023, it has decreased by 14%. We expect only a slight recovery over the forecast horizon.

After falling by 2.7% in 2023, total gross fixed capital formation is expected to stagnate in 2024 (-0.2%) and to grow only mildly in the subsequent two years.

## OeNB's Economic Indicator relaunched – slight decline in real GDP expected in Q4 2023

During the COVID-19 pandemic, traditional short-term forecasting models were unable to capture the massive and abrupt downturns and upturns in the economy in a timely manner. For this reason, researchers have created new models based on high-frequency data, such as the weekly OeNB GDP indicator or the Weekly WIFO Economic Index. With the end of the pandemic, the signaling power of many high-frequency indicators diminished sharply, while more traditional economic indicators at monthly frequency are becoming more relevant again. In this box, we present the new version of the OeNB's Economic Indicator. It will be published quarterly and will include a forecast of real GDP growth for the current and the next quarter.

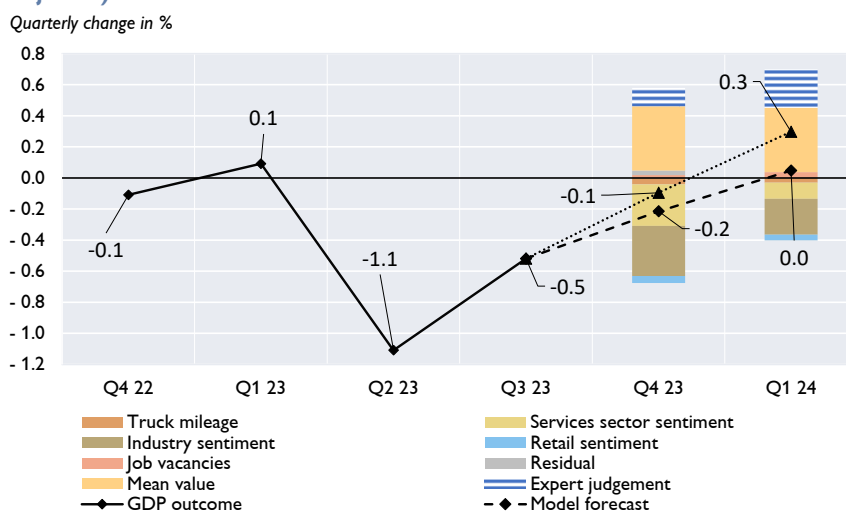
The forecasts will be based on a dynamic factor model with mixed frequencies<sup>2</sup>. The model extracts a common latent factor from the real GDP growth series and a set of leading and coincident indicators. This common factor can be interpreted as the underlying cyclical momentum. Based on current information from monthly economic indicators and the dynamics reflected by the model, this factor is extrapolated for the forecast horizon and forms the basis for the short-term forecast of economic growth. When choosing the monthly economic indicators, we made sure that all major sectors are covered and that, in addition to standard sentiment indicators, we use timely real activity indicators that are hardly subject to data revisions. The model includes the EU's economic sentiment indicator (ESI) for the sectors industry, services and retail trade; as activity indicators, we

have included truck traffic data from ASFINAG (the state-owned Austrian motorway funding company) and vacancies according to the AMS. The monthly leads of each indicator relative to the GDP growth series were determined by means of correlation analysis. The model was optimized for the period from 1999 to 2019 to avoid parameter distortions caused by the COVID-19 pandemic. We produce our forecasts at the beginning of the third month of the quarter. This means that a sufficient level of information for the current quarter is already available. At the same time, this timing ensures that we publish our forecast well ahead of the national accounts flash estimate, which is released by WIFO approximately 30 days after the end of each quarter.

The GDP growth forecast can be decomposed into the contributions of all the variables<sup>3</sup> included. For the fourth quarter of 2023, sentiment indicators for industry and services, in particular, are hampering growth. As the model forecast is based on mean-adjusted data, it is supplemented by the mean GDP growth during the model period. Finally, the model forecast can be supplemented with expert judgment to reflect any information that has not been taken into account in the model. For example, given the high expected growth in real net household income due to the lagged adjustment of wages and pensions to inflation, we are currently significantly revising the forecast for the first quarter of 2024 upward.

Chart B1

### Short-term forecast of real GDP growth (seasonally and working-day adjusted)



Source: OeNB Economic Indicator.  
Note: Data as of December 5, 2023.

<sup>2</sup> The short documentation on the model methodology (in German) can be found [here](#).

<sup>3</sup> The "residual" component contains the contribution of past GDP growth to the common factor and the impact of the autocorrelated error component over the forecast horizon.

### 3 Unemployment rises and wage growth remains high

Growth in total employment (payroll employees and self-employed persons) will slow down from 0.9% in 2023 to 0.5% in 2024. As the economy recovers, annual growth in total employment will accelerate to 1% in both 2025 and 2026, which corresponds to the long-term average. Growth in hours worked has been surprisingly robust in 2023, at 1.0%. Over the forecast horizon (2023–2026), it will come down to 0.7% on average.

Labor supply, which grew relatively strongly in 2022 and 2023, in part due to migration, is expected to moderate slightly over the forecast horizon (chart 1). Austria's labor force will stagnate in 2024 and shrink slightly in 2025. The participation rate will increase marginally from 2024, mainly because the statutory retirement age for women will be gradually raised from this year on. The integration of Ukrainian refugees into the Austrian labor market has resulted in an additional 18,000 people joining the Austrian labor force.

The unemployment rate as defined by the AMS has risen from 6.3% to 6.5% in 2023 (according to Eurostat's definition: from 4.8% to 5.3%). It will continue to increase in 2024 (AMS definition: 6.8%; Eurostat definition: 5.5%) and fall again in the following two years as economic growth picks up.

In 2023, collectively agreed wages will increase by 7.6%. For 2024, we also expect an increase by 7.6%.

In 2025 and 2026, the swift decline in the inflation rate typically used for collective bargaining (12-month rolling average) will lead to a significant decline in the growth of collectively agreed wages. Nominal gross wages per employee will grow at a rate similar to that observed for collectively agreed wages, with a slightly positive wage drift on average for the period from 2023 to 2026.

Gross real wages per employee (deflated by the HICP) will hardly increase in 2023 (+0.2%), following a pronounced decline in 2022.

Net real wages, by contrast, will go up by 0.8% in 2023. We expect gross and net real wages to rise significantly in 2024 and 2025. In gross terms, real wages will increase by 3.5% in 2024 and by 1.5% in 2025. In net terms, real wage increases will even turn out somewhat stronger. The wage share of GDP will be about 3 percentage points higher in 2026 than in 2019.

Chart 1

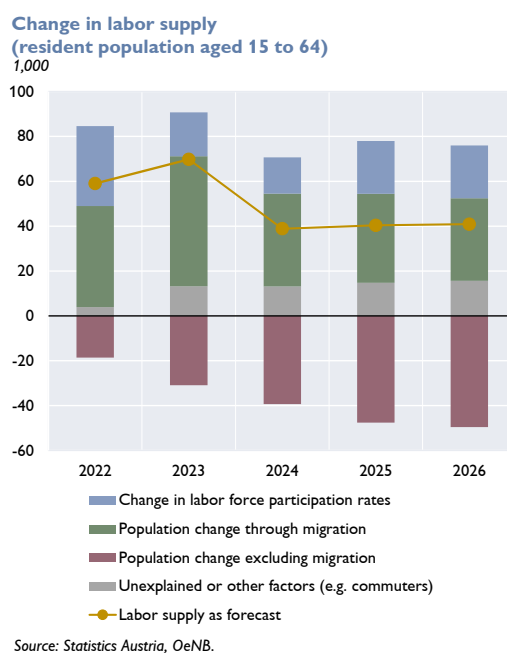


Table 4

#### Labor market and wage growth

	2022	2023	2024	2025	2026
Annual change in %					
Total employment (persons)	2.6	0.9	0.5	1.0	1.0
Total hours worked	2.5	1.0	0.8	0.7	0.7
Annual change in %					
<b>Compensation per employee</b>					
Collectively agreed wages and salaries <sup>1</sup>	3.1	7.6	7.6	4.2	2.9
Wage drift	1.7	0.3	0.0	0.2	0.1
Gross <sup>2</sup> compensation (nominal)	4.7	7.9	7.6	4.3	2.9
HICP inflation rate	8.6	7.7	4.0	3.0	2.5
Gross <sup>2</sup> compensation, real (HICP)	-3.6	0.2	3.5	1.3	0.4
Net <sup>3</sup> compensation, real (HICP)	-2.7	0.8	4.5	1.5	0.5
% of labor supply					
<b>Unemployment rate</b>					
Eurostat definition	4.8	5.3	5.5	5.3	5.2
National definition	6.3	6.5	6.8	6.6	6.5

<sup>1</sup> Overall economy. <sup>2</sup> Including employers' social security contributions.

<sup>3</sup> After tax and social security contributions.

## 4 Private consumption fuels upswing in 2024

Real disposable household income rose strongly in 2022 (+3.1%) despite rising inflation and moderate wage agreements. Next to vigorous employment growth and a strong increase in self-employment and investment income, this rise is attributable to government transfers like the “climate bonus” (including inflation relief payment). For 2023, we see a strong movement in the opposite direction, as the climate bonus has been paid out in the (lower) amount as originally planned and self-employment and investment income have been declining; as a result, real disposable household income will decrease by 2.8%.

Private consumption expanded strongly in the first half of 2022 as the remaining pandemic-related restrictions were lifted. However, as inflation accelerated and uncertainty increased as a result of the war in Ukraine, real consumption again started to decline in the second half of 2022 and continued to do so until the third quarter of 2023, with the exception of the first quarter of 2023. For 2023 as a whole, real consumption is expected to contract by 0.4%; given the sharp drop in household income, this contraction is comparatively mild, which can only be achieved through a falling saving ratio.

On the basis of the wage bargaining agreements that have been signed to date, collectively agreed wages are expected to grow by 7.6% in 2024. As bracket creep has been eliminated, the growth of net nominal wages per employee, at 8.6%, will be significantly higher than the growth of collectively agreed wages. The net real wage increase per employee will come to 4.5% in view of falling inflation, which represents the strongest increase since 1995, when these data were first collected. In addition to real wage increases, the lagged compensation for inflation in government transfers (mainly pensions) will also support household income in 2024. Overall, real net disposable household incomes will grow by 3.8%. Growth will slow in 2025 (+2.6%) and 2026 (+1.3%) but remain above average. This will enable households to increase their saving ratio, which is expected to fall to 6.4% in 2023 as savings have been used to cushion real income losses. Despite a rising saving ratio, consumption will grow strongly in 2024, but year-on-year growth will reach only 1.5% due to the low level observed in 2023. Expanding at 1.8% and 1.2%, respectively, private consumption will continue to make a significant contribution to GDP growth in 2025 and 2026.

Chart 2

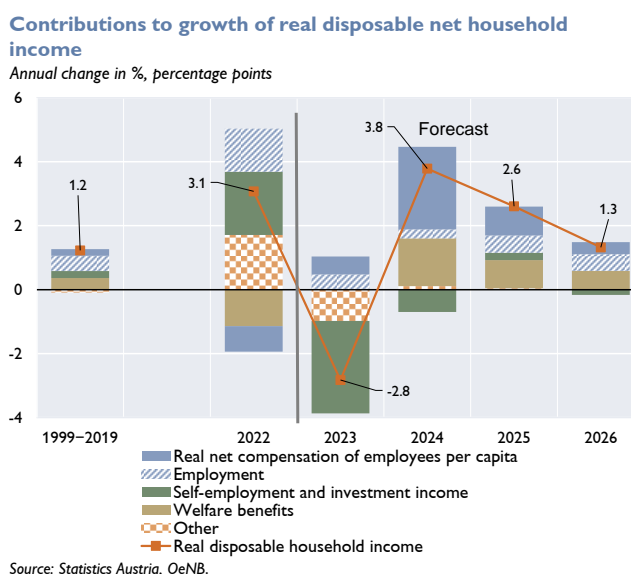


Table 5

### Real household income and private consumption

	2022	2023	2024	2025	2026
Annual change in %					
Disposable household income (real)	3.1	-2.8	3.8	2.6	1.3
Private consumption (real)	5.8	-0.4	1.5	1.8	1.2
% of disposable household income					
Saving ratio	9.0	6.4	8.2	8.9	9.0

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

## 5 HICP inflation at 7.7% in 2023 – by 2026 the inflation target of 2% should be increasingly within reach

In 2023, the main drivers of persistently high inflation have included the lagged pass-through of lower wholesale household energy prices to end consumers as well as strong services and food price inflation. As these factors are gradually becoming less important, the OeNB expects inflation as measured by the HICP to fall from 7.7% in 2023 to 4.0% in 2024 and 3.0% in 2025. In 2026, the inflation rate will reach 2.4%, coming closer to the ECB’s target of 2% again. Unlike HICP headline inflation, core inflation (which excludes energy and food) will continue to rise in 2023 to reach 7.2%, reflecting large wage increases, especially in the wage-intensive services sector, and will come down more slowly in 2024, to 4.5%.

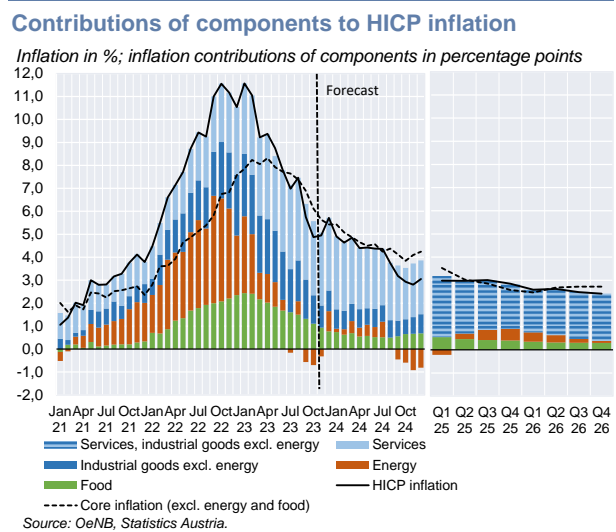
Based on HICP inflation of 8.6% in 2022, the OeNB expects inflation to decline slightly to 7.7% in 2023. This expected decline is mainly driven by a lower – and in some months even negative – contribution from energy (brown bars in chart 3). All other components (food, industrial goods excluding energy and services) are recording a higher inflation rate in 2023 than in the previous year, replacing energy as the main drivers of inflation. However, inflation rates for industrial goods (dark blue bars) and food (green bars) have already shown a marked decline over the course of the year, which will continue in the following years.

The futures prices for crude oil underlying this outlook will continue to decline until the end of 2026. On international wholesale markets, electricity prices have halved in 2023 compared to 2022, and gas prices have been reduced to a third. The pass-through of lower wholesale prices to end customers is slow in Austria, partly due to the relatively long contractual lock-in periods. As a result, the drops in household energy prices are only visible in energy inflation in the second half of 2023 and will continue into the first half of 2024. Similarly, government anti-inflationary measures (in particular the electricity price cap and the subsidization of network loss charges) have a dampening effect on inflation. According to OeNB calculations, the direct downward impact of fiscal policy measures on HICP inflation in 2023 amounts to around 1 percentage point.

As of mid-2024, the phasing-out of anti-inflationary measures will exert upward pressure on inflation. However, due to the fact that electricity prices are now lower, these effects are significantly lower than when the measures were introduced. The OeNB’s forecast assumes that overall energy prices will continue to fall in the second half of 2024 because of competitive pressure following the end of the electricity price cap, as well as the renewal, on more favorable terms, of the large number of household energy contracts concluded in the second half of 2023.

The high level of food price inflation in the first half of 2023 has already eased significantly over the course of the year. The decline in agricultural commodity prices and energy prices should lead to a further marked easing of the pressure on end consumer prices. Food inflation is expected to decline steadily to 2% in 2026. This means that in 2026, inflation in this sector will be below the long-term average of the period from 1999 to 2019 (2.2%).

Chart 3





Core inflation, which excludes energy and food, is expected to increase to 7.2% in 2023 (2022: 5.1%). The main reason for this is the sharp rise in wage costs due to lagged inflation compensation, which is particularly evident in the services sector. The OeNB expects high wage agreements for the years to come, too. As a result, price pressures in the services sector will remain persistently high. The rent cap and the suspension of increases in municipal utilities fees from 2024 will contribute to a slight easing of services inflation. The second component of core inflation, nonenergy industrial goods, will fall significantly in 2024. However, as their weight in the core inflation rate is significantly smaller than that of services, the core inflation rate will only fall slowly. Moreover, it will remain above HICP inflation from 2024.

Table 6

## Inflation

	December 2023 outlook					Revisions since June 2023		
	2022	2023	2024	2025	2026	2023	2024	2025
	Annual change in %					Percentage points		
HICP inflation	8.6	7.7	4.0	3.0	2.5	0.3	-0.1	0.1
Food	9.0	9.8	3.8	2.9	2.0	0.0	0.0	0.6
of which: unprocessed food	10.3	7.4	2.6	x	x	0.5	x	x
of which: processed food	8.7	10.5	4.7	x	x	-0.1	x	x
Industrial goods excluding energy	5.8	6.3	2.8	x	x	-0.4	x	x
Energy	39.8	7.9	0.0	1.8	2.5	2.3	3.6	-2.8
Services	4.6	7.7	5.8	x	x	0.4	x	x
HICP excluding energy	5.8	7.7	4.4	3.0	2.5	0.1	-0.5	0.3
HICP excluding energy and food	5.1	7.2	4.5	3.0	2.7	0.2	-0.6	0.2

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 and June 2023 outlooks.

As energy and food inflation in the second half of 2023 was higher than expected in June, the current forecast for 2023 has been revised upward (table 6). The assessment for 2024 and 2025 remains largely constant. The markedly lower core inflation rate in 2024 is the result of lower economic growth, which is also visible in prices.

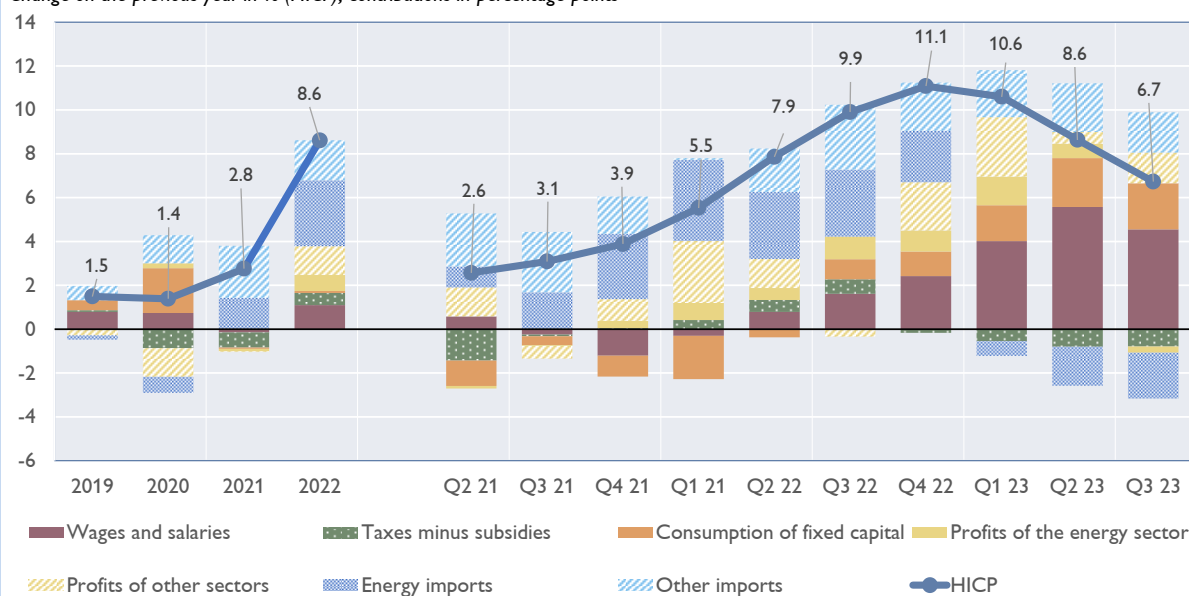
## Decomposition of HICP inflation shows pronounced second-round effects

In this box, we present the results of a new method for decomposing HICP inflation. In particular, we look at the composition of the production costs of the goods and services consumed by Austrian households. We look at both the costs of domestic production (including corporate profits) and imports. The growth of the Harmonised Index of Consumer Prices (HICP) is explained by the growth of the individual cost components (wages and salaries, profits, consumption of fixed capital, taxes paid on production minus subsidies and imports) per real unit of consumption. To this end, we link data from the quarterly national accounts and external trade statistics with detailed data on intermediate goods interdependencies from input-output tables. This makes it possible to identify the factors of production to which the proceeds from the production of the goods and services included in the HICP basket flow. However, the decomposition cannot explain the level of inflation or the drivers that actually cause it.

Chart B2

### Contributions of cost components to HICP inflation in Austria

Change on the previous year in % (HICP), contributions in percentage points



Source: Statistics Austria, OeNB calculations.

The decomposition shows three distinct phases of the current period of high inflation: First, inflation started to rise in mid-2021; this increase was mainly accompanied by strong growth in spending on imports, with price hikes caused by pandemic-related international supply bottlenecks. From end-2021 onward, energy imports emerged as the most important cost factor for consumer goods production. In the second phase, which started around one year later, a larger portion of higher prices flowed to firms in the form of higher profits. These increases were not only evident in the energy sector, but also in the hospitality industry, as well as in financial and insurance services. However, the increase in profits recorded by restaurants and hotels can be attributed to catch-up effects following the COVID-19 pandemic. On average, corporate profits explained nearly one-quarter of annual inflation in 2022, with this share markedly increasing in the second half of 2022.

The third phase started at the beginning of 2023. From the first quarter of 2023, inflation embarked on a steady downward path due to falling energy prices. The contributions by corporate profits remained high at the start of the year; at the same time, wages are taking on an increasing role. Given that wages in Austria are usually raised based on the 12-month rolling average inflation, wages react with a lag to inflation increases. The contribution of profits to inflation – which peaked at 40% in the first quarter of 2023 – declined sharply from the second quarter of 2023 onward, as a result of both cyclical factors and rising wage increases.

When analyzing these observations, however, it should be noted that this decomposition does not take into account the role of monetary and fiscal policy and other determinants of inflation. This requires theory-based structural models.

## 6 Budget deficit falls below Maastricht threshold but remains above pre-crisis levels

For the current year, a budget balance of about  $-2.6\%$  is expected, the smallest deficit since 2020 ( $-8.0\%$ ). This is a clear improvement compared to the year 2022 ( $-3.5\%$ ). Over the forecast horizon, we expect the Maastricht deficit to slightly worsen compared to 2023 (2024:  $-2.7\%$ ; 2025 and 2026:  $-2.8\%$ ).

Chart 4 shows the budget balance, including the most important discretionary determinants. The contraction in the deficit in 2023 is markedly driven by the strong reduction of the remaining COVID-19 measures (like testing and corporate subsidies). While, in 2022, these measures had still increased the deficit by more than 1% of GDP, they will contribute less than 0.3 percentage points from 2023 (chart 4, blue). At the same time, the costs for energy measures are starting to decrease slightly in 2023 but remain one of the main determinants of the budget balance (pink).

Compared to the OeNB's June outlook, the estimated cost of energy-related support measures has been revised downward. This is partly due to lower energy prices, which are reducing spending on the electricity price cap and energy subsidies for businesses. These support measures are expected to be swiftly phased out over the forecast horizon.

A lasting effect on the budget balance will come from the wage and income tax reforms (cut in the lowest rate of personal income tax, eco-social tax reform and, later, the elimination of bracket creep), which in part have already been in effect since 2020. While strong growth on the revenue side (especially from value-added tax and, for 2023, also from capital gains tax) and below-average interest payments still had a positive impact on public finances in 2022 and 2023, these factors will weaken significantly over the forecast horizon due to the subdued economy and the changed interest rate environment. Together with recently announced expenditure increases under the new fiscal sharing regime and inflation-related strong increases in public sector wages and pensions, this poses major budgetary challenges from 2024. These developments are also reflected in the debt ratio (chart 5). In 2023, the improved budget balance, coupled with high inflation, will cause the debt ratio to drop visibly, by 1.8 percentage points to 76.6% of GDP. In the years 2024 to 2026, improvements in the debt ratio will only be small. This is due to persistently high primary deficits, increasing interest payments and weak nominal GDP growth.

Chart 4

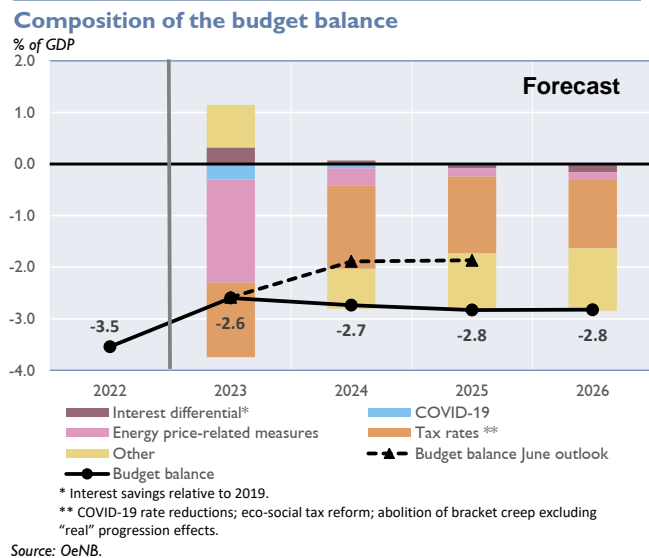
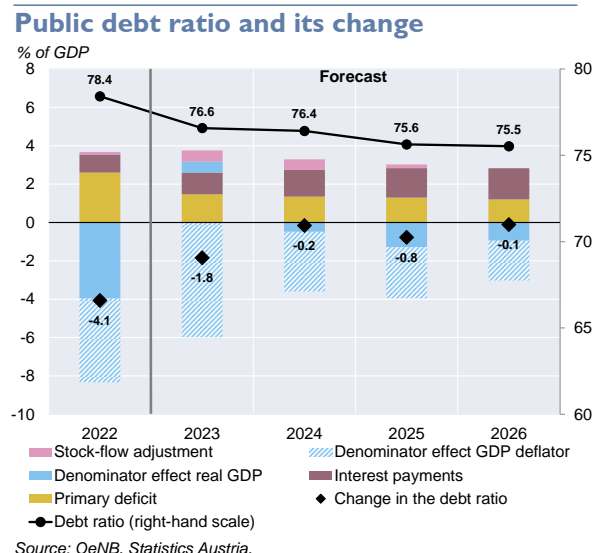


Chart 5



## 7 Annex of tables

Table A1

### Main results of the forecast

	December 2023					Revisions since June 2023		
	2022	2023	2024	2025	2026	2023	2024	2025
<b>Economic activity</b>	<i>Annual change in % (real)</i>							
Gross domestic product (GDP)	4.8	-0.7	0.6	1.7	1.3	-1.2	-1.0	0.0
Private consumption	5.8	-0.4	1.5	1.8	1.2	-0.2	-0.8	0.2
Government consumption	0.1	0.1	0.3	0.8	1.1	0.4	0.3	0.1
Gross fixed capital formation	0.3	-2.7	-0.2	2.9	2.3	-3.1	-0.8	1.4
Exports of goods and services	11.6	1.8	1.5	2.2	2.6	-1.1	-1.2	-0.8
Imports of goods and services	8.1	-1.3	2.2	2.6	3.0	-3.9	0.0	0.0
	<i>% of nominal GDP</i>							
Current account balance	-0.3	2.4	2.1	2.3	2.3	1.1	0.1	-0.1
Import-adjusted contributions to GDP growth <sup>1</sup>	<i>Percentage points</i>							
Private consumption	1.9	-0.1	0.4	0.6	0.3	0.1	-0.4	0.1
Government consumption	0.0	0.0	0.0	0.1	0.2	0.1	0.0	0.0
Gross fixed capital formation	0.0	-0.3	-0.1	0.4	0.3	-0.3	-0.1	0.2
Domestic demand (excluding changes in inventories)	1.9	-0.4	0.4	1.1	0.7	-0.1	-0.5	0.3
Exports	3.1	0.6	0.2	0.6	0.5	0.1	-0.6	-0.3
Changes in inventories (including statistical discrepancy)	-0.1	-1.0	0.0	0.0	0.0	-1.3	0.0	0.0
<b>Prices</b>	<i>Annual change in %</i>							
Harmonised Index of Consumer Prices (HICP)	8.6	7.7	4.0	3.0	2.5	0.3	-0.1	0.1
Private consumption expenditure deflator	7.4	7.9	3.9	2.9	2.5	-0.8	-0.2	0.1
GDP deflator	5.3	7.6	4.0	3.5	2.7	-0.1	-0.7	-0.2
Unit labor costs (whole economy)	2.5	9.7	7.4	3.6	2.6	1.8	1.5	0.1
Compensation per employee	4.7	7.9	7.6	4.3	2.9	0.4	1.0	0.1
Compensation per hour worked	4.8	7.6	7.1	4.7	3.2	-0.9	0.5	0.3
Import prices	14.5	0.2	1.7	2.4	2.2	-2.9	-0.8	0.2
Export prices	10.2	2.7	2.6	3.0	2.5	-1.1	-1.0	0.0
Terms of trade	-3.7	2.5	0.8	0.6	0.3	1.8	-0.2	-0.2
<b>Income and savings</b>	<i>Annual change in %</i>							
Real disposable household income	3.1	-2.8	3.8	2.6	1.3	-1.9	0.5	0.1
	<i>% of nominal disposable household income</i>							
Saving ratio	9.0	6.4	8.2	8.9	9.0	-1.0	0.0	-0.1
<b>Labor market</b>	<i>Annual change in %</i>							
Payroll employment	2.9	1.2	0.7	1.1	1.1	0.1	-0.4	0.1
Hours worked (payroll employment)	2.8	1.5	1.1	0.8	0.8	1.2	0.1	-0.2
	<i>% of labor supply</i>							
Unemployment rate (Eurostat definition)	4.8	5.3	5.5	5.3	5.2	0.2	0.8	0.8
Unemployment rate (national definition)	6.3	6.5	6.8	6.6	6.5	0.1	0.6	0.5
<b>Public finances</b>	<i>% of nominal GDP</i>							
Budget balance (Maastricht definition)	-3.5	-2.6	-2.7	-2.8	-2.8	0.0	-0.8	-1.0
Government debt	78.4	76.6	76.4	75.6	75.5	1.4	3.7	4.7

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 and June 2023 outlooks.

<sup>1</sup> The import-adjusted growth contributions were calculated by offsetting each final demand component with corresponding imports, which were obtained from input-output tables.

## Underlying global economic conditions

	2022	2023	2024	2025	2026
<b>Gross domestic product (GDP)</b>	<i>Annual change in % (real)</i>				
World excluding the euro area	3.3	3.3	3.1	3.2	3.2
USA	1.9	2.4	1.7	1.5	1.7
China	3.0	5.2	4.4	4.1	4.0
India	6.8	6.5	6.1	6.6	6.6
Japan	0.9	1.8	1.0	0.9	0.9
Latin America	4.1	2.2	2.1	2.5	2.5
United Kingdom	4.3	0.6	0.3	0.8	1.4
CESEE EU member states <sup>1</sup>	-2.7	3.3	2.1	2.1	1.7
Switzerland	2.7	0.8	1.1	1.5	1.6
Euro area <sup>2</sup>	3.4	0.6	0.8	1.5	1.5
<b>World trade (imports of goods and services)</b>	<i>Annual change in % (real)</i>				
World	6.2	0.7	2.7	3.0	3.1
World excluding the euro area	5.5	1.1	3.0	3.0	3.2
Growth of euro area export markets (real)	6.7	0.8	2.6	2.9	3.1
Growth of Austrian export markets (real)	7.2	-0.7	2.2	3.1	3.0
<b>Prices</b>					
Oil price in USD/barrel (Brent)	103.7	84.0	80.1	76.5	73.6
Three-month interest rate in %	0.3	3.4	3.6	2.8	2.7
Long-term interest rate in %	1.7	3.1	3.2	3.3	3.4
USD/EUR exchange rate	1.05	1.08	1.08	1.08	1.08
Nominal effective exchange rate of the euro (euro area index)	116.2	121.9	123.5	123.5	123.5

Source: Eurosystem.

<sup>1</sup> Bulgaria, Croatia, Czechia, Hungary, Poland and Romania.

<sup>2</sup> 2022: Eurostat; 2023 to 2026: results of the Eurosystem staff macroeconomic projections for the euro area of December 2023.

Table A3

## Foreign trade

	2022	2023	2024	2025	2026
<b>Exports</b>	<i>Annual change in %</i>				
Competitor prices in Austria's export markets	16.3	-1.6	1.8	2.6	2.2
Export deflator	10.2	2.7	2.6	3.0	2.5
Changes in price competitiveness	6.2	-4.3	-0.8	-0.4	-0.2
Import demand in Austria's export markets	7.2	-0.7	2.2	3.1	3.0
Austrian exports of goods and services (real)	11.6	1.8	1.5	2.2	2.6
Austrian market share	4.4	2.5	-0.7	-0.9	-0.5
<b>Imports</b>	<i>Annual change in %</i>				
Competitor prices in Austria's export markets	14.4	0.0	1.9	2.6	2.1
Import deflator	14.5	0.2	1.7	2.4	2.2
Austrian imports of goods and services (real)	8.1	-1.3	2.2	2.6	3.0
Terms of trade	-3.7	2.5	0.8	0.6	0.3
	<i>Percentage points of real GDP</i>				
Contribution of net exports to GDP growth	2.2	1.8	-0.3	-0.1	-0.1
	<i>% of nominal GDP</i>				
Export ratio	62.1	60.8	60.5	60.5	61.1
Import ratio	61.5	57.0	56.6	56.5	57.1

Source: 2022: Statistics Austria, Eurosystem; 2023 to 2026: OeNB December 2023 outlook.

Table A4

## Current account

	2022	2023	2024	2025	2026
	<i>% of nominal GDP</i>				
Balance of trade	0.3	3.8	3.7	3.9	3.8
Balance of goods	-1.5	0.9	1.0	1.0	0.9
Balance of services	1.9	2.9	2.7	2.9	2.9
Balance of primary income <sup>1</sup>	-0.1	-0.8	-1.1	-1.0	-1.0
Balance of secondary income <sup>2</sup>	-0.6	-0.6	-0.6	-0.6	-0.6
Current account balance	-0.3	2.4	2.1	2.3	2.3

Source: 2022: Statistics Austria, OeNB; 2023 to 2026: OeNB December 2023 outlook.

<sup>1</sup> Balance of income (e.g. compensation of labor, investment income).

<sup>2</sup> Balance of current transfers.

Table A5

## Household income and private consumption

	2022	2023	2024	2025	2026
	<i>Annual change in %</i>				
Payroll employment	2.9	1.2	0.7	1.1	1.1
Wages and salaries per employee	4.7	7.9	7.6	4.3	2.9
Compensation of employees	7.8	9.2	8.4	5.5	4.0
Investment income	38.3	-8.2	4.2	3.0	0.6
Self-employment income and operating surpluses (net)	8.7	-0.2	3.9	3.6	3.1
	<i>Contribution to household disposable income growth in percentage points</i>				
Compensation of employees	7.0	8.0	7.6	5.0	3.7
Investment income	3.0	-0.8	0.4	0.2	0.0
Self-employment income and operating surpluses (net)	1.4	0.0	0.6	0.5	0.4
Net transfers less direct taxes <sup>1</sup>	-0.4	-1.0	0.1	-0.1	-0.2
	<i>Annual change in %</i>				
Disposable household income (nominal)	10.7	4.8	7.9	5.6	3.9
Consumption deflator	7.4	7.9	3.9	2.9	2.5
Disposable household income (real)	3.1	-2.8	3.8	2.6	1.3
Private consumption (real)	5.8	-0.4	1.5	1.8	1.2
	<i>% of disposable household income</i>				
Saving ratio	9.0	6.4	8.2	8.9	9.0

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

<sup>1</sup> Negative values indicate an increase in (negative) net transfers less direct taxes; positive values indicate a decrease.

Table A6

## Investment

	2022	2023	2024	2025	2026
	Annual change in %				
<b>Gross fixed capital formation (real)</b>	0.3	-2.7	-0.2	2.9	2.3
<i>of which:</i>					
<i>investment in plant and equipment</i>	-0.1	-4.8	-1.5	2.4	1.9
<i>residential construction investment</i>	2.9	-8.4	-4.5	3.8	2.4
<i>nonresidential construction investment and other investment</i>	-5.7	-1.6	1.7	1.7	0.6
<i>investment in research and development</i>	5.2	4.3	2.6	3.7	4.0
<i>public sector investment</i>	-2.5	1.4	1.3	1.1	0.4
<i>private investment</i>	0.8	-3.3	-0.4	3.2	2.6
<b>Contribution to real gross fixed capital formation growth</b>	Percentage points				
Investment in plant and equipment	0.0	-1.5	-0.5	0.8	0.6
Residential construction investment	0.6	-1.7	-0.8	0.7	0.4
Nonresidential construction investment and other investment	-1.4	-0.4	0.4	0.4	0.1
Investment in research and development	1.3	1.1	0.7	1.0	1.1
<b>Contribution to real GDP growth</b>	Percentage points				
Total gross fixed capital formation	0.1	-0.7	0.0	0.7	0.5
Changes in inventories	-0.3	-1.0	0.2	0.0	0.0
	% of nominal GDP				
Investment ratio	25.3	24.4	24.1	24.2	24.4

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

Table A7

## Labor market

	2022	2023	2024	2025	2026
	Annual change in %				
<b>Employment</b>					
Total employment (persons)	2.6	0.9	0.5	1.0	1.0
Payroll employment (persons)	2.9	1.2	0.7	1.1	1.1
<i>of which: public sector employees</i>	0.8	0.4	0.4	0.4	0.4
Self-employment (persons)	0.5	-0.9	-1.0	0.2	0.1
Total hours worked	2.5	1.0	0.8	0.7	0.7
Payroll employment (hours)	2.8	1.5	1.1	0.8	0.8
Self-employment (hours)	0.9	-1.2	-0.6	-0.1	0.0
Labor supply	1.2	1.4	0.8	0.8	0.8
Registered unemployment	-21.5	12.1	5.6	-2.9	-2.2
<b>Unemployment rate</b>	% of labor supply				
Eurostat definition	4.8	5.3	5.5	5.3	5.2
National definition	6.3	6.5	6.8	6.6	6.5

Source: 2022: Statistics Austria, AMS; 2023 to 2026: OeNB December 2023 outlook.



Table A8

## Compensation of employees

	2022	2023	2024	2025	2026
<b>Gross wages and salaries<sup>1</sup></b>	Annual change in %				
In nominal terms	7.8	9.2	8.4	5.5	4.0
Consumption deflator	7.4	7.9	3.9	2.9	2.5
In real terms	0.4	1.3	4.5	2.6	1.5
Collectively agreed wages and salaries <sup>1</sup>	3.1	7.6	7.6	4.2	2.9
Wage drift	1.7	0.3	0.0	0.2	0.1
<b>Compensation per employee</b>					
Gross <sup>2</sup> compensation (nominal)	4.7	7.9	7.6	4.3	2.9
Gross compensation (real, private consumption expenditure deflator)	-2.5	0.0	3.5	1.4	0.4
Net <sup>3</sup> compensation (real, private consumption expenditure deflator)	-1.7	0.7	4.5	1.5	0.5
<b>Compensation per hour worked</b>					
Gross compensation (nominal)	4.8	7.6	7.1	4.7	3.2
Gross compensation (real, private consumption expenditure deflator)	-2.4	-0.3	3.1	1.7	0.7
	% of nominal GDP				
Wage share	48.6	49.7	51.4	51.5	51.5

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

<sup>1</sup> Overall economy. <sup>2</sup> Including employers' social security contributions. <sup>3</sup> After tax and social security contributions.

Table A9

## Prices

	2022	2023	2024	2025	2026
<b>HICP and subcomponents</b>	Annual change in %				
Harmonised Index of Consumer Prices (HICP)	8.6	7.7	4.0	3.0	2.5
Food	9.0	9.8	3.8	2.9	2.0
Unprocessed food	10.3	7.4	2.6	x	x
Processed food	8.7	10.5	4.7	x	x
Industrial goods excluding energy	5.8	6.3	2.8	x	x
Energy	39.8	7.9	0.0	1.8	2.5
Electricity	11.1	-2.5	17.4	-5.8	-1.4
Natural gas	80.9	53.3	-20.3	-39.0	-26.1
Liquid fuels	47.8	-8.8	0.4	-2.5	-2.0
Services	4.6	7.7	5.8	x	x
HICP excluding energy	5.8	7.7	4.4	3.0	2.5
HICP excluding energy and food	5.1	7.2	4.5	3.0	2.7
<b>Deflators (national accounts)</b>					
Private consumption expenditure deflator	7.4	7.9	3.9	2.9	2.5
Investment deflator	7.8	5.8	3.5	3.0	2.5
Import deflator	14.5	0.2	1.7	2.4	2.2
Export deflator	10.2	2.7	2.6	3.0	2.5
Terms of trade	-3.7	2.5	0.8	0.6	0.3
GDP deflator at factor cost	5.2	8.4	4.1	3.5	2.4

Source: 2022: Statistics Austria; 2023 to 2026: OeNB December 2023 outlook.

Table A10

## Breakdown of revisions to the outlook since June 2023

	GDP			HICP		
	2023	2024	2025	2023	2024	2025
	Annual change in %, percentage points					
December 2023 outlook	-0.7	0.6	1.7	7.7	4.0	3.0
June 2022 outlook	0.5	1.7	1.6	7.4	4.1	2.9
Difference	-1.2	-1.0	0.0	0.3	-0.1	0.1
<b>Caused by:</b>	Percentage points					
External assumptions	0.0	-0.2	0.0	0.1	0.1	0.0
New data <sup>1</sup>	-1.1	-0.5	0.0	0.1	0.0	0.0
of which: revisions to historical data up to Q1 23	-0.1	0.0	0.0	0.0	0.0	0.0
forecast errors for Q2 23 and Q3 23	-1.0	-0.5	0.0	0.1	0.0	0.0
Other reasons <sup>2</sup>	-0.1	-0.2	0.1	0.1	-0.2	0.1

Source: OeNB December 2023 and June 2023 outlooks. The difference and the sum of growth contributions subject to individual revisions may differ from the overall revision due to rounding.

<sup>1</sup> "New data" refer to data on GDP and/or inflation that have become available since the publication of the preceding OeNB outlook.

<sup>2</sup> Different assumptions about trends in domestic variables such as wages, government consumption, effects of tax measures, other changes in assessments and model changes.

Table A11

## Comparison of current economic forecasts for Austria

	OeNB				WIFO		IHS		OECD			IMF		European Commission		
	December 2023	2024	2025	2026	October 2023	2024	October 2023	2024	November 2023	2024	2025	October 2023	2024	November 2023	2024	2025
	Annual change in %															
<b>Main results</b>																
GDP (real)	-0.7	0.6	1.7	1.3	-0.8	1.2	-0.4	0.9	-0.4	0.6	1.5	0.1	0.8	-0.5	1.0	1.3
Private consumption (real)	-0.4	1.5	1.8	1.2	0.8	1.8	0.2	1.5	0.1	1.6	1.9	x	x	-0.3	1.1	1.5
Government consumption (real)	0.1	0.3	0.8	1.1	-2.0	0.0	-1.3	0.0	-0.9	-1.0	0.7	x	x	-1.9	0.8	0.3
Gross fixed capital formation (real)	-2.7	-0.2	2.9	2.3	-0.5	-0.5	-1.7	-1.8	-2.2	-1.4	0.8	x	x	-2.7	0.1	0.9
Exports (real)	1.8	1.5	2.2	2.6	1.6	2.6	1.0	2.1	1.9	2.8	2.8	3.6	3.1	0.6	2.6	3.2
Imports (real)	-1.3	2.2	2.6	3.0	0.6	2.7	0.5	0.8	-0.9	3.5	2.7	3.5	3.1	-0.5	2.3	3.0
Labor productivity <sup>1</sup>	-1.6	0.1	0.7	0.3	-1.3	0.7	-1.5	0.4	-1.3	0.6	1.1	x	x	-1.1	0.4	0.6
GDP deflator	7.6	4.0	3.5	2.7	8.0	4.2	6.6	4.0	7.3	3.2	2.2	8.1	3.6	7.6	4.0	3.5
CPI	x	x	x	x	7.7	4.0	7.8	4.2	x	x	x	x	x	x	x	x
HICP	7.7	4.0	3.0	2.5	7.5	3.7	7.8	4.2	7.7	3.9	2.5	7.8	3.7	7.7	4.1	3.0
Unit labor costs	9.7	7.4	3.6	2.6	10.2	6.8	9.4	6.3	9.1	5.6	2.0	x	x	9.5	6.6	3.2
Payroll employment <sup>2</sup>	0.9	0.5	1.0	1.0	1.0	0.5	1.1	0.5	1.2	0.0	0.3	-0.1	0.2	0.6	0.6	0.7
	% of labor supply															
Unemployment rate <sup>3</sup> (Eurostat defin)	5.3	5.5	5.3	5.2	5.2	5.2	5.2	5.5	5.1	5.5	5.4	5.1	5.4	5.3	5.4	5.3
	% of nominal GDP															
Current account balance	2.4	2.1	2.3	2.3	1.5	1.9	x	x	2.8	2.1	2.1	0.1	0.0	0.8	0.9	1.2
Budget balance (Maastricht definition)	-2.6	-2.7	-2.8	-2.8	-2.4	-1.6	-3.0	-1.9	-2.6	-2.5	-2.5	-2.4	-2.0	-2.6	-2.4	-2.2
<b>External assumptions</b>																
Oil price in USD/barrel (Brent)	84.0	80.1	76.5	73.6	84.0	84.0	85.0	87.0	82.6	85.0	85.0	80.5	79.9	84.1	84.5	79.6
Short-term interest rate in %	3.4	3.6	2.8	2.7	3.5	4.4	3.4	3.7	3.4	3.8	3.5	3.0	3.2	3.4	3.7	3.1
USD/EUR exchange rate	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.07	1.07	1.09	x	1.08	1.1	1.06
Euro area GDP (real)	0.6	0.8	1.5	1.5	0.6	1.2	0.4	1.3	0.6	0.9	1.5	0.7	1.2	0.6	1.2	1.6
US GDP (real)	2.4	1.7	1.5	1.7	1.9	0.6	2.0	1.3	2.4	1.5	1.7	2.1	1.5	2.4	1.4	1.8
World GDP (real)	3.0	2.8	3.0	3.0	x	x	2.7	2.8	2.9	2.7	3.0	3.0	2.9	3.1	2.9	3.2
World trade <sup>3</sup>	0.7	2.7	3.0	3.1	x	x	-1.7	2.0	1.1	2.7	3.3	0.9	3.5	0.7	3.0	3.5

Source: OeNB, WIFO, IHS, OECD, IMF, European Commission. Note: x = no data available.

<sup>1</sup> OeNB, WIFO: GDP per hour worked IHS, OECD, European Commission: GDP per employee.

<sup>2</sup> WIFO, IHS: based on active payroll.

<sup>3</sup> IHS: goods according to CPB; European Commission: world imports.

## Quarterly outlook results

	2023	2024	2025	2026	2023				2024				2025				2026			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Prices, wages and costs</b>	<i>Annual change in %</i>																			
HICP	7.7	4.0	3.0	2.5	10.6	8.6	6.7	5.2	4.8	4.4	3.8	2.9	3.0	3.0	3.0	2.9	2.6	2.6	2.5	2.4
HICP excluding energy	7.7	4.4	3.0	2.5	9.1	8.6	7.6	5.8	5.0	4.4	4.1	4.1	3.5	3.0	2.8	2.6	2.4	2.6	2.6	2.6
Private consumption expenditure deflator	7.9	3.9	2.9	2.5	9.6	8.6	7.4	6.1	4.7	3.9	3.5	3.5	3.3	3.1	2.7	2.6	2.6	2.6	2.5	2.4
Gross fixed capital formation deflator	5.8	3.5	3.0	2.5	7.9	6.2	4.8	4.6	3.5	3.4	3.7	3.4	3.2	3.1	3.0	2.8	2.7	2.5	2.4	2.3
GDP deflator	7.6	4.0	3.5	2.7	8.9	8.5	7.1	6.2	3.9	3.9	4.0	4.4	3.9	3.7	3.4	3.0	3.0	2.9	2.7	2.4
Unit labor costs	9.7	7.4	3.6	2.6	7.1	10.1	10.5	11.2	9.8	8.0	6.7	5.4	4.2	3.7	3.5	3.2	3.0	2.8	2.5	2.3
Nominal wages per employee	7.9	7.6	4.3	2.9	7.3	7.6	7.8	8.9	8.0	8.1	7.7	6.6	5.2	4.5	4.0	3.6	3.3	3.0	2.8	2.7
Productivity	-1.6	0.1	0.7	0.3	0.3	-2.2	-2.5	-2.1	-1.6	0.0	1.0	1.1	1.0	0.8	0.5	0.4	0.3	0.2	0.3	0.3
Real wages per employee	0.0	3.5	1.4	0.4	-2.1	-0.9	0.4	2.6	3.2	4.0	4.1	3.0	1.8	1.4	1.3	1.0	0.7	0.4	0.2	0.3
Import deflator	0.2	1.7	2.4	2.2	5.6	-0.7	-2.5	-1.3	-0.2	1.7	2.9	2.5	2.5	2.3	2.2	2.4	2.4	2.2	2.1	2.0
Export deflator	2.7	2.6	3.0	2.5	5.5	2.3	1.0	2.2	1.7	2.4	3.2	3.2	3.1	3.0	2.9	2.8	2.6	2.5	2.4	2.3
Terms of trade	2.5	0.8	0.6	0.3	0.0	3.0	3.5	3.5	1.8	0.7	0.3	0.6	0.6	0.7	0.7	0.4	0.3	0.3	0.3	0.3
<b>Economic activity</b>	<i>Annual or quarterly changes in % (real)</i>																			
GDP	-0.7	0.6	1.7	1.3	0.1	-1.1	-0.5	-0.1	0.3	0.7	0.6	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Private consumption	-0.4	1.5	1.8	1.2	0.7	-0.4	-1.2	-0.1	0.9	1.3	0.8	0.4	0.3	0.3	0.3	0.4	0.3	0.3	0.2	0.2
Government consumption	0.1	0.3	0.8	1.1	-1.8	2.0	0.6	-0.9	-0.1	0.1	0.3	0.3	0.2	0.2	0.1	0.2	0.2	0.4	0.4	0.5
Gross fixed capital formation	-2.7	-0.2	2.9	2.3	-2.1	-1.5	-1.6	-0.1	0.3	0.4	0.5	0.7	0.9	0.8	0.7	0.6	0.5	0.5	0.5	0.5
Exports	1.8	1.5	2.2	2.6	1.7	-3.4	2.4	0.2	0.4	0.3	0.5	0.5	0.6	0.7	0.6	0.5	0.6	0.7	0.7	0.7
Imports	-1.3	2.2	2.6	3.0	-1.2	-0.7	1.2	0.4	0.7	0.5	0.5	0.6	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
	<i>Contribution to real GDP growth in percentage points</i>																			
Domestic demand	-0.4	0.4	1.1	0.7	0.1	0.1	-0.7	-0.4	0.3	0.6	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Net exports	0.6	0.2	0.6	0.5	0.8	-0.8	0.5	-0.1	0.0	0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2
Changes in inventories	-1.0	0.0	0.0	0.0	-0.8	-0.4	-0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Labor market</b>	<i>% of labor supply</i>																			
Unemployment rate (Eurostat definition)	5.3	5.5	5.3	5.2	4.8	5.0	5.5	5.7	5.8	5.6	5.4	5.3	5.3	5.3	5.3	5.3	5.3	5.2	5.1	5.1
	<i>Annual or quarterly changes in %</i>																			
Total employment	0.9	0.5	1.0	1.0	0.4	0.1	0.0	-0.1	0.1	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.2	0.2	0.2
<i>of which: private sector</i>	1.0	0.6	1.1	1.1	0.4	0.1	0.0	-0.1	0.1	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.3	0.3	0.3	0.3
Payroll employment	1.2	0.7	1.1	1.1	0.4	0.1	0.1	-0.1	0.1	0.4	0.4	0.4	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.2
<b>Additional variables</b>	<i>Annual or quarterly changes in % (real)</i>																			
Disposable household income	-2.8	3.8	2.6	1.3	2.0	-3.1	-0.9	0.1	2.6	1.9	1.3	1.0	0.3	0.4	0.3	0.2	0.4	0.4	0.4	0.4
	<i>% of real GDP</i>																			
Output gap	-0.1	-0.6	-0.1	0.0	1.4	0.0	-0.8	-1.1	-1.1	-0.7	-0.4	-0.2	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.1	0.1

Source: OeNB December 2023 outlook. Quarterly values based on seasonally and working day-adjusted data.

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