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Government debt increased in 2nd quarter 2022

Government deficit reduced to 0.5 % of GDP in the first half of 2022

Vienna, 2022-09-30 – The government debt amounted to €354.6 bn at the end of June 2022 and was therefore €6 bn higher compared to the 1st quarter 2022. The government deficit declined from €19 bn in the first half of 2021 to €1 bn Euro in the first half of 2022.

According to preliminary estimations of Statistics Austria, the **government debt** amounted to €354.6 bn at the end of the 2nd quarter 2022. The **debt ratio** – the ratio of government debt to gross domestic product (GDP) – was 82.7 %. Effects of the fiscal policy implemented due to the war in Ukraine will be mostly visible in the second half of 2022.

Government deficit in the first half of 2022 at 0.5 % of GDP

The **government deficit** in the first half of 2022 amounted to €1.0 bn or 0.5 % of GDP. In comparison to the first half of 2021, with a deficit of €19.0 bn and 9.8 % of GDP, this is a decline by €18.0 bn. The government revenue increased compared to the first half of 2021 by 12.0 % or €11.4 bn. The government expenditure declined by 5.9 % or €6.6 bn.

Substantial increase of government revenue in the first half of 2022

87.4 % of **government revenue** come from taxes and social contributions, which together add up to €92.6 bn. This is an increase of 12.5 % or €10.3 bn compared to last year.

Tax revenues were 15.5 % higher in the first half of 2022 compared to the first half of the previous year and surpassed the pre-pandemic level of the first half of 2019 significantly. Due to the economic development in the first half of 2022, especially taxes on products (+13.2 %) and taxes on income (+19.2 %) led to a significant increase in government revenue. Social contributions had a less dynamic increase than tax revenue with +7.5 %.

Significant decline of government expenditure in the first half of 2022

The decline of **government expenditure** in total numbers is due to a strong decrease of state subsidies (-€7.9 bn). Due to expiring Covid subsidies and measures, subsidies declined by 62.4 % in the first half of 2022. One of the main reasons being the decline in COFAG grants. The economic recovery eased the pressure in the labour market and led to falling numbers of people in short-term work schemes. Furthermore, the development in the labour market led to less significant increases of expenditure for monetary social benefits, notably expenditure for unemployment benefits decreased.

Government debt end of June 2022 at €354.6 bn

The **government debt** was €354.6 bn on 30 June 2022, which are €6 bn. more compared to the previous quarter. Categorized by **type of debt** the government debt on 30 June 2022 is split into €309.7 bn of debt securities, €43.1 bn of loans and €1.8 bn of currencies and deposits.

Like in the previous quarters, the major part of the increase of government debt originated in the central government sector with €7 bn. This increase was mitigated by other sectors by €1 bn, primarily by a decline in debt of the state government sector. The core unit Bund caused the biggest part of the increase of central government debt, the newly debt taken was used to secure liquidity.

For detailed results and further information about public finance as well as detailed information about the effects of the COVID-19 crisis, please refer to [website](#).

Table 1: Government finance – key data of government in the first half of the year

	H1 2019	H1 2020	H1 2021	H1 2022
Government revenue in billion Euro	94,0	88,8	94,5	105,9
of which are				
Tax revenue	51,9	47,3	51,0	58,9
Social contributions	30,1	29,9	31,3	33,6
Sales	8,5	8,1	8,6	8,7
other	3,5	3,6	3,7	4,6
Government expenditure in billion Euro	94,0	101,3	113,5	106,8
of which are				
Social benefits	43,4	45,1	48,5	49,5
Of which are monetary social benefits	35,4	37,4	39,7	40,0
Compensation of employees	20,7	21,2	22,2	22,6
Intermediate consumption	11,6	11,7	13,9	14,3
Subsidies	2,6	8,6	12,7	4,8
Investments	5,3	5,3	5,6	5,8
Property income	2,9	2,6	2,2	2,0
Other expenditures	7,6	6,8	8,5	8,0
Deficit/surplus in billion Euro	+0,0	-12,5	-19,0	-1,0
Deficit/surplus in % of GDP	+0,0	-6,8	-9,8	-0,5
GDP in billion Euro	194,8	183,8	193,7	215,7

S: STATISTICS AUSTRIA, Public Finance, Compiled on 30 September 2022. Rounding differences not settled.

Table 2: Quarterly government debt, in absolute terms and in percentage of GDP, comparison to the previous quarter by subsectors of the government

Subsectors of the government	In billion Euro		In % of GDP	
	Q2 2022	Q1 2022	Q2 2022	Q1 2022
General government	354,6	348,6	82,7	83,4
Central government	312,1	305,0	72,8	73,0
State government	23,4	24,1	5,5	5,8
Local government	19,3	19,6	4,5	4,7
Social security funds	-0,2	-0,1	0,0	0,0

S: STATISTICS AUSTRIA, Public Finance, Compiled on 30 September 2022. Rounding differences not settled.

Information on methods, definitions: The government revenue and expenditure are categorised according to the European System of Accounts (ESA 2010, EU regulation No. 549/2013). Government deficit consists of the difference of government expenditure and revenue. The presented tax revenues and social contributions do include those taxes and social contributions, which are unlikely to be withdrawn.

For the estimation of the government debt, claims against other governmental units are deducted (“inter-governmental claims” or “consolidated presentation”). Hence, for the interpretation of the changes in government debt the development of liabilities and of intergovernmental claims need to be taken into account. This is true for the general government in total as well as for the contributions of the single subsectors to the total government debt. The liabilities of the social security funds were lower than its intergovernmental

claims, leading to a “negative” contribution of this subsector to the government debt. The intergovernmental claims of the social security funds relevant for consolidation are mainly government bonds by the Republic of Austria.

If you have any questions on this topic, please contact:

Max Stumm, phone: +43 1 711 28-8119, e-mail: max.stumm@statistik.gv.at

Kerstin Gruber, phone: +43 1 711 28-7875, e-mail: kerstin.gruber@statistik.gv.at

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STATISTICS AUSTRIA | Federal Institution under Public Law | Guglgasse 13 | 1110 Vienna | www.statistik.at

Press: phone: +43 1 711 28-7777 | e-mail: presse@statistik.gv.at

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