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Economic output declined by 1.1% in second quarter of 2023

Trade and industry slow down economic growth

Vienna, 2023-09-01 – In the second quarter of 2023, Austria's economic output was in real terms 1.1% below the same quarter of the previous year. According to preliminary calculations by Statistics Austria, the real gross domestic product (GDP) decreased by 0.7% (adjusted for seasonal and calendar effects)

“Austria's economy weakens and shrinks in spring 2023 for the first time in eight quarters. In the second quarter, GDP decreased by 1.1%. This can mainly be attributed to the declining economic performance of trade and industry. Nevertheless, Austria's economy is 3.2% above the Corona pre-crisis level,” explains Statistics Austria Director General Tobias Thomas at the latest edition of the “Austrian Economic Barometer” press conference.

Economic output declined in second quarter of 2023

After the strong economic growth (which followed the end of the Corona crisis) had already weakened from the second half of 2022, the second quarter of 2023 recorded the first decline compared with the previous year's quarter (-1.1%) and compared with the first quarter of 2023 (-0.7%). This is mainly due to the industrial (-2.0%) and trade (-6.7%) sector. The main dampening factor on the general decline is Public Administration, Education and Health, with an increase of 1.5% compared with the previous year's quarter.

Inflation trend declining, but prices falling more slowly than in the euro zone

In the course of 2022, inflation rose steadily, peaked at 11.2% in January 2023 and has been declining since then, most recently to an estimated 7.5% in August 2023 (flash CPI estimate). Energy price increases in particular had initially contributed to the sharp rise of inflation. Their influence more than a year after the onset of the energy price crisis, has now diminished considerably though, whereas the persistent price increases of services are becoming more significant. Austria's higher inflation rate compared with the Euro area can be explained above all by the price development of household energy, which is at the moment declining more strongly in several Western European countries.

Turnover in industry and construction fell in July 2023

Industry turnover shows a negative result for the fifth time in a row and was 9.0% lower in July than in the same month in 2022. This is shown by flash estimates for July 2023. The turnover index of the industry sector shows a decrease (-11.4%) and the construction sector an increase (6.1%) compared to the previous year's result.

International trade in goods decreased slightly

After a long period of steady increases, Austria's international trade declined in May 2023 for the first time since January 2021 in both directions. Over the entire period from January to May 2023, imports were 0.1% and exports 6.2% higher than in the corresponding period of the previous year. In comparison with the Corona pre-crisis level 2019, May 2023 shows increases of 27.0% in imports and 26.6% in exports compared with May 2019.

Tourism: Nights spent reach highest level since 1980 in the first half of summer 2023

For the first three months of the tourism summer season (May to July 2023), 39.50 million nights spent in Austrian accommodation establishments were reported. This figure was 6.3% higher than the corresponding period of summer 2022 (37.16 million) and reached the highest level since 1980 (40 million). Compared to the Corona pre-crisis level of 2019 (38.83 million), this is an increase of 1.7%. Nights spent by non-resident guests reached 27.54 million (compared to 2022: +10.5%; compared to 2019: +1.2%), while those by resident guests reached 11.96 million (compared to 2022: -2.2%; compared to 2019: +3.0%).

For detailed results and further information on all topics of the press conference, please refer to our [website](#).

Information: Statistics Austria takes a quarterly look at Austria's economic and social development. The central indicator is the barometer, which shows the extent to which the pre-crisis level has been reached for various indicators (e. g. GDP, employment, tourism, international trade in goods) (compared to the corresponding period of 2019).

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

Center for Media and Communication, Phone: +43 1 711 28-7777, E-mail: presse@statistik.gv.at

Media owner, producer and publisher:

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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