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Gross domestic product decreased by 1.8% in Q3

Industry and trade in particular responsible for decline in GDP

Vienna, 2023-12-01 – In the third quarter of 2023, Austria’s gross domestic product (GDP) was 1.8% lower in real terms than in the same quarter of the previous year. Compared to the second quarter of 2023, real GDP fell by 0.5% (seasonally and calendar-adjusted), according to preliminary calculations by Statistics Austria.

“Austria’s economy is in a recession: in the third quarter of 2023, gross domestic product fell for the second time in a row, declining by 1.8% compared to the third quarter of the previous year. This development is primarily due to the decline of economic output in industry and trade. In contrast, the number of overnight stays in tourism are at a record level: with more than 80 million overnight stays between May and October, Austrian accommodation establishments were better booked this year than in any other summer,” says Statistics Austria Director General Tobias Thomas at the latest edition of the “Austrian Economic Barometer” press conference.

Economic output declined again in Q3

Following the economic boom until mid-2022, the economic slowdown has continued with slightly negative growth rates since the second quarter of 2023. Compared to the same quarter of the previous year, price-adjusted economic output fell by 1.4% in the second quarter of 2023 and by 1.8% in the third quarter of 2023. Trade (–7.6%), transportation (–9.0%) and industry (except construction; –4.2%) were the main contributors to the decline in the third quarter of 2023. Public administration, education and health activities (+5.6%) in particular continued to record positive growth rates.

Decline of inflation takes a break

After peaking at 11.2% in January 2023, the inflation rate fell to 5.4% in October and – according to a flash estimate – remained at this value also in November 2023. Energy prices are now having a lowering effect on the inflation rate. In particular, the price levels of fuel (–9.7%), heating oil (–20.9%) and electricity (–12.3%) were significantly lower in October than in the same month last year. Natural gas (+24.0%) and district heating (+12.0%) continued to cost significantly more than in the previous year. However, ongoing price increases for services, particularly for catering (+10.9%) and housing (+5.1%; rents: +9.4% and tradesman services: +9.2%; all figures for October 2023) are becoming increasingly significant. At 3.49 percentage points, they contributed significantly more than half of the inflation rate of 5.4% in October, while energy dampened inflation by 0.71 percentage points.

Decrease in turnover and construction in October 2023

Turnover in industry and construction fell by 10.3% in October 2023 compared with October of the previous year, according to flash estimates by Statistics Austria. Considering the industrial and the construction sector separately, the flash estimates for October 2023 showed a decrease of the turnover index in industry by 12.0%, in construction there was a slight increase of 0.1%.

Imports and exports decreased moderately in August

In August 2023, the value of Austrian exports decreased by 1.2% to €14.58 billion compared to August 2022. At the same time, the import value of goods fell by 15.0% to €14.83 billion. Compared to the pre-pandemic

level of 2019, imports in August 2023 rose by 29.3%. On the export side, the value showed an increase of 33.2% compared to August 2019.

In the first eight months of 2023, imports were 2.3% lower and exports 4.7% higher than in the period from January to August 2022.

Employment above pre-crisis level; job vacancies high, but declining

According to the Federation of Social Insurances (Dachverband der österreichischen Sozialversicherungen), employment rose by 0.7% in October 2023 compared to the same month in the previous year, although a downward trend has been observed since the peak in July 2023. Nevertheless, employment in October 2023 still lies above the pre-crisis level (+4.1% compared to October 2019).

According to the preliminary results of the job vacancy survey, the number of vacancies in the third quarter of 2023 amounted to 202 300. Compared to the previous quarter, the number of vacancies is declining (-5.5%), but still at a high level.

Tourism: summer season 2023 closes with record number of overnight stays

The tourism summer season (May to October 2023) closed with 80.89 million overnight stays in Austrian accommodation establishments. Overnight stays were thus 3.9% higher than in summer 2022 (77.89 million) and 2.4% above the pre-Corona level of 2019 (78.97 million), reaching an all-time high. Overnight stays by guests from abroad reached 57.04 million (compared to summer 2022: +6.5%; compared to 2019: +2.4%), those by domestic guests 23.85 million (compared to 2022: -1.9%; compared to 2019: +2.4%).

Compared to 2019, all federal states – except Lower Austria (-2.7%), Vienna (-1.3%) and Carinthia (-0.8%) – exceeded the levels of summer 2019, with Vorarlberg (+7.0%) and Styria (+6.9%) showing the strongest growth rates.

Tourism in the capitals of the federal states and Vienna, which was particularly affected by the pandemic, has recovered, and with 14.62 million overnight stays has almost reached the pre-pandemic summer level of 2019 (14.71 million). Compared to 2022 (12.59 million), the current figure is higher by around 2 million overnight stays or 16.2%.

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:

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