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Austrian economy declined by 1.7% in Q4 2023 compared to Q4 2022

Gross domestic product in 2023 0.8% below previous year

Vienna, 2023-02-29 – Austria’s economy in the fourth quarter of 2023 was 1.7% lower in real terms than in the same quarter of the previous year. According to preliminary calculations by Statistics Austria, gross domestic product (GDP) remains unchanged (0.0%) compared to the third quarter of 2023 (seasonally and calendar-adjusted). Overall, GDP decreased by 0.8% in real terms in 2023 compared to 2022.

“The Austrian economy stagnates at the End of 2023 after losses in economic output in the the second and third quarter. In the fourth quarter of 2023, the gross domestic product did not fall any further compared to the previous quarter, but is still 1.7% below the level of the fourth quarter of the previous year. For the past year as a whole, this results in a slight decline of 0.8%, which is primarily due to the negative development of manufacturing, trade and transportation,” says Tobias Thomas, Director General of Statistics Austria.

Declining economic output in 2023

Austria’s economy recorded a slight decline of 0.8% in real terms in 2023. The slowdown in momentum began in the second quarter of 2023 and continued until the end of the year. At the beginning of 2023, GDP still rose by 2.1% in real terms. This was followed by three quarters of negative growth rates (Q2: –1.6%, Q3: –2.0%, Q4: –1.7%).

Decline in manufacturing, trade and transportation

The real economic decline in the fourth quarter of 2023 (–1.7%) was primarily due to the negative development in manufacturing (–5.1%), trade (–4.8%) and transportation (–3.2%). Professional and administrative support services (e.g. employment activities, management consultancy) also recorded a real decline of 3.3% compared to the fourth quarter of 2022. Positive impetus came from education and human health and social activities as well as from public administration, which recorded real growth of 1.7% compared to the same quarter of the previous year.

The year-on-year comparison shows a similar picture. While manufacturing (–2.7%), trade (–5.8%) and transportation (–6.1%) recorded real declines in 2023, education, human health and social activities as well as public administration grew by 1.6% in real terms compared to 2022. In construction, the negative trend of the previous year continued with a decline of 1.1% (2022: –1.2%).

Decline in consumption and gross capital formation

Both consumption of private households (–1.1%) and the decline of gross capital formation (–3.9%) contributed to the economic downturn in the fourth quarter of 2023. In particular, capital formation in dwellings (–10.2%) and in other buildings and structures (–4.7%) as well as capital formation in machinery (–10.0%) showed stronger real declines compared to the same quarter of the previous year. The negative momentum in the international trade of goods weakened towards the end of the year. Although declines in exports (–2.1%) and imports (–0.3%) were still recorded, they were less pronounced than in the third quarter of 2023.

In a year-on-year comparison, consumption of private households declined by 0.4% in real terms compared to 2022. Gross capital formation also decreased by 2.4% compared to 2022. Exports showed a slight real decline of 0.2% in 2023, while imports decreased by 1.8% in the same period.

Increase in employees and compensation of employees

Compensation of employees at current prices grew by 8.8% in the fourth quarter of 2023 compared to the same quarter of the previous year. In 2023, the nominal increase compared to 2022 amounted to 9.0%.

In the fourth quarter of 2023, there were 0.6% more employees than in the same period of the previous year. In contrast, the number of self-employed persons declined by 0.8% in the same period. Year-on-year, this led to an increase of 1.2% in the number of employees and a decrease of 0.9% in the number of self-employed persons.

Hours worked declined by 1.0% in the fourth quarter overall (employed and self-employed). In a year-on-year comparison, the number of hours worked increased by 0.9%.

For detailed results and further information please refer to our [website](#).

Table 1: Quarterly growth rates of GDP in real terms

	Year-on-year, not seasonally adjusted	Quarter-on-quarter, seasonally adjusted
2022 Q1	9.6	0.6
2022 Q2	6.5	2.0
2022 Q3	2.0	-0.1
2022 Q4	1.8	-0.2
2023 Q1	2.1	0.1
2023 Q2	-1.6	-1.3
2023 Q3	-2.0	-0.3
2023 Q4	-1.7	0.0

S: STATISTICS AUSTRIA, Quarterly National Accounts.

Table 2: Quarterly growth rates of selected economic activities in real terms, y-o-y in real terms

	Agriculture	Production industry	Construction	Trade	Accommoda- tion and food service	Economic service acti- vities	Public administra- tion
2022 Q1	4.5	8.4	-2.6	5.3	349.7	4.2	5.1
2022 Q2	10.5	5.8	-1.6	0.8	84.1	5.9	3.4
2022 Q3	6.8	2.8	-1.4	2.3	-0.2	2.2	2.2
2022 Q4	1.5	-0.3	0.5	0.5	32.0	3.1	2.0
2023 Q1	-2.8	0.9	1.3	-3.1	17.7	4.3	1.3
2023 Q2	-6.1	-2.3	-1.2	-7.1	-2.7	-2.3	1.8
2023 Q3	-1.8	-4.0	-1.5	-8.0	-4.3	-0.7	1.6
2023 Q4	1.7	-3.4	-2.5	-4.8	0.2	-3.3	1.7

S: STATISTICS AUSTRIA, Quarterly National Accounts.

Table 3: Quarterly growth rates of selected expenditure aggregates, y-o-y in real terms

	Con- sumption	Consumption of private house- holds	Gross fixed capital formation	Exports	Imports
2022 Q1	10.5	14.2	0.2	15.8	13.9
2022 Q2	6.1	9.2	-4.0	11.2	7.4
2022 Q3	-1.2	-0.6	0.6	10.0	7.3
2022 Q4	1.5	2.7	3.6	8.4	3.7
2023 Q1	-0.1	0.9	-0.2	9.9	-0.4
2023 Q2	-0.2	-0.2	-1.7	-1.9	-1.6
2023 Q3	0.0	-1.2	-3.5	-6.0	-4.7
2023 Q4	-1.0	-1.1	-3.9	-2.1	-0.3

S: STATISTICS AUSTRIA, Quarterly National Accounts.

Table 4: Quarterly growth rates of selected income and employment aggregates, y-o-y

	Compensation of employees (current prices)	Gross operating surplus (current prices)	Employed Persons	Self-employed Persons	Hours Worked
2022 Q1	8.7	10.7	4.9	3.1	6.1
2022 Q2	7.9	5.5	3.3	1.0	2.2
2022 Q3	7.3	8.0	1.8	-1.0	-1.4
2022 Q4	7.3	9.7	1.9	-1.0	3.3
2023 Q1	9.4	8.1	1.9	-1.5	2.8
2023 Q2	9.0	4.5	1.2	-0.6	0.5
2023 Q3	9.0	1.5	1.0	-0.8	1.3
2023 Q4	8.8	-1.6	0.6	-0.8	-1.0

S: STATISTICS AUSTRIA, Quarterly National Accounts.

Information on methodology: Calculations are carried out according to the standardised European System of National Accounts (SNA), complying with the corresponding EU regulation that requires consistent concepts and methods in all EU member states.

Comparisons with the previous quarter are based on seasonally and working-day adjusted data.

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

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