Government debt increased by 20.4 billion euros in 2023

Deficit at 2.7% below the Maastricht limit, debt ratio at 77.8% above

Vienna, 2024-03-28 – According to preliminary results by Statistics Austria the Austrian government deficit amounted to 2.7% of gross domestic product (GDP) or €12.7 bn in 2023. Government debt increased by €20.4 bn to €371.1 bn at the end of 2023. The debt ratio, i.e. the ratio of government debt to nominal gross domestic product, fell due to the GDP trend (nominal +6.7%, real -0.8%) from 78.4% of GDP to 77.8%.

"The Austrian state spent more money in 2023 than ever before. The inflation-related adjustments of salaries and pensions as well as measures to cushion the energy crisis have caused government spendings to grow to a new record level of €248.8 billion. At the same time, the inflation-induced rise in revenue and strong nominal economic growth have resulted in a budgetary deficit of 2.7%, which is, for the first time since the beginning of the corona pandemic, below the Maastricht limit of 3%. The ratio of government debt at 77.8%, on the other hand, is still above European regulations," said Statistics Austria General Director Tobias Thomas.

Compared to 2022, government revenue in 2023 increased by 6.2% or €13.9 bn to €236.1 bn. Government expenditure increased by 5.0% or €11.9 bn to €248.8 bn. This resulted in a government deficit of €12.7 bn, down from €14.6 bn in 2022. Compared to nominal GDP, the public deficit amounted to 2.7% (2022: 3.3%). Thus, in 2023 the deficit decreased, despite the current recession, significantly raised compensation of employees and social benefits other than in kind, by €2.0 bn or 0.6 percentage points compared to the previous year.

Government expenditure increased further at high level

Government expenditure increased in 2023 by 5.0% or €11.9 bn. Compensation of employees (+8.7%) and social benefits other than in kind (+6.8%) saw increases above average as a result of inflation-related high labour and pension agreements in 2023. As in the previous year, the results show additional government expenditure to mitigate high energy prices. These were mainly included in the subsidies: In 2023, of €11.2 bn total subsidies, €3.1 bn account for those measures (such as Energiekostenzuschuss II or Stromkostenbremse). Overall, due to the discontinuation of COVID-19 measures, total subsidies slightly decreased, but stayed well above pre-crisis figures (e.g. €5.8 bn in 2019).

Additionally, the overall higher financing costs in 2023 contributed to the increased expenditure by raising the interest payments for the debt of general government by €1.4 bn compared to 2022. The highest increase of interest payments can be seen in central government, where most of the general government debt was recorded.

More moderate government revenue growth than in previous years

86.7% of **government revenue** in 2023 derived from taxes and social contributions, which totalled €204.8 bn. This is an increase of 5.4% or €10.6 bn compared to the year before. Tax revenue in total was 4.5% higher than in 2022.

The results for 2023 show a significantly lower growth of revenue than in the previous two years. Fiscal measures (e.g. the abolition of bracket creep) as well as recessive economic developments caused a significantly lower growth of revenue from current taxes on income, wealth, etc. This figure increased by only €2.0 bn (3.1%) compared to €8.0 bn (14.0%) in the previous year, or €7.5 bn (15.2%) in 2021. Taxes on production and imports also raised government revenue significantly less than in the previous years, with an increase of €3.6bn (5.8%) compared to €5.2 bn (9.3%) in 2022 or €4.6 bn (9.0%) in 2021 - in spite of continuously high inflation.

Government Debt at the end of 2023 at €371.1 bn

As of 31 December 2023, **government debt** was €371.1 bn, €20.4 bn more than in the previous year. Categorised by type of debt, government debt at the end of 2023 is split into €326.8 bn of debt securities, €42.4 bn of loans and €1.9 bn of currencies and deposits.

The major part of the increase of government debt originated in the central government sector with €16.6 bn. This increase was strengthened by other sectors by €3.9 bn, primarily by an increase in debt of the state and the local government sector.

The core unit Bund caused the biggest part of the increase of central government debt, as the new debt was mainly used to cover the current deficit.

For detailed results and further information about public finance, please refer to our underline website.

Table 1: Government finance – key data of government

	2020	2021	2022	2023
Government revenue in bn Euro	185,9	204,3	222,3	236,1
of which are				
Tax revenue	101,1	113,2	126,5	132,1
Social contributions	61,1	64,2	67,8	72,7
Sales	16,7	17,9	19,4	20,8
Other	7,0	8,9	8,6	10,5
Government expenditure in bn Euro	216,4	227,7	236,9	248,8
of which are				
Social benefits	93,3	97,3	100,7	107,7
Of which are monetary social benefits	77,3	78,9	81,6	87,1
Compensation of employees	43,2	44,8	46,5	50,6
Intermediate consumption	25,9	30,3	32,0	32,9
Subsidies	19,0	18,8	11,8	11,2
Investments	12,9	14,4	18,7	16,9
Property income	5,1	4,5	4,2	5,6
Other expenditure	17,0	17,5	22,9	23,9
Deficit/surplus in bn Euro	-30,4	-23,4	-14,6	-12,7
Deficit/surplus in % of GDP	-8,0	-5,8	-3,3	-2,7
GDP in bn Euro	380,9	405,2	447,2	477,2

S: STATISTICS AUSTRIA, Public Finance, Compiled on 28 March 2024. Rounding differences not settled.

Table 2: Government Debt, in absolute terms and in percentage of GDP, in comparison to the previous year by Subsectors of the Government

Subsectors of the government	in bn. Euro		In % of GDP	
	2022	2023	2022	2023
General Government	350,7	371,1	78,4	77,8
Central Government	306,5	323,1	68,5	67,7
State Government	24,1	25,7	5,4	5,4
Local Government	19,2	21,1	4,3	4,4
Social Security Funds	0,9	1,2	0,2	0,3

S: STATISTICS AUSTRIA, Public Finance, Compiled on 28 March 2024. 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 revenue and social contributions include those taxes and social contributions, which are unlikely to be withdrawn.

Government debt is recorded as gross figure, i.e. financial assets are not subtracted. The difference between changes of government debt and of government deficit is recorded in the so-called "stock-flow-adjustment". This may result e.g. from sales of financial assets or from accrual accounting of issue discounts, the latter showing relatively high figures in 2023.

Basis for the 2023 results are the provisional annual public accounts for federal government, quarterly data for state and local government units as well as provisional data for the social security funds. A first estimate of the numerous extra-budgetary units was made based on individually available information.

Statistics Austria compiles data for general government twice a year. These data are published end of March and end of September, in line with the obligations to notify these data as well as statistics on government deficit and government debt to the European Commission (EU regulations No. 549/2013 and No. 222/2014). Data according to the mentioned European regulations refer to general government and to the four subsectors central, state and local governments as well as social security funds.