

Corrected Press release: 13 347-113/24

# GDP declined again in Q1

## Austrian Economic Barometer: Austria's economy is still in recession

Correction note 3 June 2024: In the second sentence of the summary, the rate of change of seasonally and calendar adjusted GDP had to be corrected. The previous value is given in brackets. In the summary and in the first sentence of the second paragraph it was made clear that the decline refers to the previous year. The corrections are highlighted in grey in the text.

Vienna, 2024-06-03 – According to preliminary calculations by Statistics Austria, in the first quarter of 2024 Austria's economy was 1.1% lower in real terms than in the first quarter of the previous year. Compared to the fourth quarter of 2023, real gross domestic product (GDP) rose by [previous: 0.1%] 0.2% (seasonally and calendar adjusted). Though GDP decline compared to the previous year is lower than in previous quarters.

"Austria's economy is still in recession. In the first quarter of 2024, gross domestic product fell for the fourth time in a row, declining by 1.1% compared to the first quarter of the previous year. The decline in economic output has thus slowed – in previous quarters, the economy had shrunk by up to 2.0%. The decline in economic output is primarily due to falls in industry and wholesale, while the economy is being supported by private consumption," says Statistics Austria Director General Tobias Thomas at the latest edition of the Austrian Economic Barometer press conference.

### Decline in economic output weakened in the first quarter

Gross domestic product (GDP) in Austria has been declining for four quarters, compared to the previous year. At -1.1% in the first quarter of 2024, the decline is weaker than in the previous quarters (-1.6% Q4 2023; -2.0% Q3 2023 -1.7% Q2 2023). This decline mainly comes from manufacturing (-5.9%), trade activities (-4.8%) and other economic services (-2.1%; such as labour leasing). Accommodation and food service activities recorded slight growth (+0.7%) for the first time since the strong post-COVID-catch-up effects and the subsequent inflation-induced declines. Nevertheless, the sector remains well below the pre-corona level.

### Inflation falls more slowly than in the eurozone

The inflation rate fell to 3.5% in April and, according to a flash estimate, to 3.3% in May 2024. This means that the trend of falling inflation rates in Austria is continuing, albeit at a slower pace than in the eurozone. Among the 20 Euro countries, Austria has the fifth highest inflation rate, behind Belgium, Croatia, Portugal and Spain.

The strongest influence on the inflation rate in April 2024 had restaurants and hotels (+7.6%, impact: 0.991 percentage points), with prices for catering rising by 7.9% (impact: 0.897 percentage points) and for accommodation by 5.9% (impact: 0.094 percentage points). In second place was the group housing, water, energy (+3.2%, impact: 0.618 percentage points; residential rents +7.9%, but gas -13.1%, district heating -16.3%), followed by various goods and services (+5.4%, impact: 0.468 percentage points; insurance +7.5%, personal care +4.1%).

## **Industrial turnover has been declining for more than a year**

Since March 2023, industry and construction in Austria have faced turnover losses each month. In April 2024, however, the decline weakened significantly and, according to a flash estimate, was only –2.0% compared to April of the previous year. Turnover in industry fell by 2.6%, while construction saw an increase of 1.8%.

## **Good development in tourism supports economy**

According to preliminary results, 71.12 million overnight stays and 19.99 million arrivals were registered in Austrian accommodation establishments in the 2023/24 winter tourism season. Compared to the winter of 2022/23, the number of overnight stays increased by 2.6% and the number of guests by 5.5%. This means that overnight stays are 2.5% below the level of the pre-pandemic winter of 2018/19 with 72.92 million overnight stays.

## **International trade of goods at the start of 2024: imports decline, exports increase**

Following the mixed rates of change in the previous year, Austria's exports recorded a slight increase in the first two months of 2024, while imports continued to decline compared to January and February of the previous year. In January and February 2024, imports were 13.0% lower and exports 3.1% higher than in the same period of the previous year. A comparison with the pre-coronavirus level of February 2019 shows growth of 16.3% in imports and 28.5% in exports in February 2024.

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

**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).

### **Further enquiries:**

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