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Economic output declined again in Q2 2024

Austrian Economic Barometer: Austria slides from recession towards stagnation

Vienna, 2024-09-04 – According to preliminary calculations by Statistics Austria, Austria's economic output in the second quarter of 2024 was 0.6% lower in real terms than in the previous year. Compared to the first quarter of 2024, real gross domestic product (GDP) decreased by 0.4% adjusted for seasonal and calendar effects.

“Austria's economy is sliding from recession towards stagnation. In the second quarter of 2024, gross domestic product fell for the fifth time in a row, declining by 0.6% compared to the same quarter of the previous year. Industrial production and wholesale trade once again recorded declines, although these were not as sharp as in the previous quarter. Per capita prosperity in terms of GDP also fell and was 1.2% lower in the second quarter of 2024 than in the same quarter of the previous year,” says Statistics Austria Director General Statistics Tobias Thomas at the latest edition of the Austrian Economic Barometer press conference.

GDP down 0.6% year-on-year in Q2

Although the 0.6% decline in GDP was less pronounced than in previous quarters, it was still significant. The declines in manufacturing (–3.9%) and trade (–2.3%) were again mainly responsible for this, even if they were less pronounced than in the first quarter. The decline in GDP is also reflected in the number of hours worked, which fell by 1.6 % compared to the second quarter of the previous year. The largest increase was recorded in public administration, education and social services with a plus of 2.3%.

Inflation has the ECB target in sight

The inflation rate fell to 2.9% in July and, according to a preliminary flash estimate, to 2.4% in August. The trend of falling inflation rates in Austria is thus continuing. Compared to the average for 2023 (+7.8%), the inflation rate in Austria has therefore fallen by more than two thirds. According to the flash estimate, Austria was in 14th place among the 20 euro countries in August with a harmonised consumer price index (HICP 2015) of 2.5%, but well below Belgium's figure of 4.5%. Lithuania (0.7%), Latvia (0.9%) and Finland, Slovenia and Ireland (1.1% each) had the lowest values in a European comparison. According to the flash estimate, inflation in the euro area averaged 2.2% in August 2024.

Austrian inflation continued to be driven by services in the summer. In July, 2.4 percentage points of the 2.9% overall inflation rate were caused by the services sector. Price drivers were catering (+6.8%) and accommodation (+5.0%) as well as housing, water and energy (apartment rents +6.8%, but gas –24.5% and district heating dampen the price (–9.2%). After months of negative development, the wholesale price index and the industrial output price index are now showing upward trends again. After its minimum in June 2023 (–7.3%), the wholesale price index is now clearly rising again with a value of +1.4% in July 2024. The industrial output price index had its low point in January 2024 at –7.2 % and stands at –1.8% in July 2024 compared to the same month last year.

Turnover in industry and construction positive again after more than a year

According to a flash estimate, turnover in industry and construction rose by 4.1% in July 2024 compared to July of the previous year, marking the first increase in 16 months. Compared to the pre-coronavirus crisis

level, turnover was 28% higher than in July 2019. Industrial production (seasonal adjusted) in June 2024 was 4.0% above the pre-crisis level of June 2019.

Imports and exports on the decline

Following the mixed rates of change in 2023, both Austria's exports and imports recorded a marked decline in the first five months of 2024. In the entire period from January to May 2024, imports were down 12.6% and exports 5.2% on the same period of the previous year. Compared to the pre-crisis level May 2019, May 2024 saw growth of 11.7% in imports and 15.8% in export.

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).

New GDP time series from 1995: At the end of September, new national accounts data – including GDP – will be published throughout the EU from 1995 onwards. Changes in the time series are coordinated at regular intervals across the EU in order to incorporate new data sources and implement conceptual changes.

Further enquiries:

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