

Press release: 13 496-263/24

Economy shrunk in almost all federal provinces in 2023

Special cases affected Vorarlberg and Vienna, while tourism stimulated the economy in Salzburg and Tyrol

Vienna, 2024-12-17 – In 2023, most federal provinces recorded a slight economic decline, as Statistics Austria reports. The development of real gross regional product (GRP) ranged from +2.5% in Vienna to –14.1 % in Vorarlberg, while the national gross domestic product (GDP) contracted by –1.0%.

“In 2023, the recession in trade, construction and industry characterised economic development in most federal provinces. At the same time, however, growth in tourism continued, benefiting Salzburg and Tyrol in particular. In Vienna and Vorarlberg, a small number of enterprises had a strong influence on the results. Without these special effects, the Viennese economy would have shrunk and the decline in Vorarlberg’s economy would have been significantly less pronounced”, says Statistics Austria Director General Tobias Thomas.

Special factors dominate development in Vienna and Vorarlberg, tourism growth driver

The relocation of an international merchant led to a significant downturn in **Vorarlberg** in 2023 and was largely responsible for the growth in **Vienna**. Even without this special effect, Vorarlberg would have recorded a decline, driven primarily by the weak performances of manufacturing and construction. Real value added in manufacturing fell by 7.4%, in the westernmost federal province which was primarily due to the manufacture of fabricated metal products. In the federal capital Vienna, in addition to the aforementioned relocation, the strong increase of the volatile value added by a gas trader contributed to real growth. Without these two special effects, the Viennese economy would also have contracted; however, declines in the banking sector and in trade (apart from the international merchant) were cushioned by gains in IT services, tourism and the manufacture of pharmaceutical products.

Salzburg ($\pm 0.0\%$) was the only federal province apart from Vienna in which real GRP did not fall. Tourism once again proved to be an important pillar of Salzburg’s economy: accommodation and food service activities grew by 7.7%. As in previous years, additional impetus came from the manufacture of beverages. At –0.8%, Tyrol performed slightly better than the Austrian average, with tourism also boosting the economy here. However, this was offset by significant losses in manufacturing, which fell by 3.7% in real terms.

Recession in trade, construction and manufacturing shapes regional economies

In 2023, economic development in real terms was below the Austrian average in **Styria** (–1.1%), **Burgenland** and **Carinthia** (–1.2% each) and **Lower Austria** (–1.3%). These federal provinces were characterised by declines in construction and trade. In addition, manufacturing fell significantly in Burgenland, although this was offset by growth in public services. In Lower Austria, the mining industry contributed to the negative development. In **Upper Austria**, the GRP declined by 1.7%. Besides trade and construction, this was due to manufacturing, which is particularly important for this federal province and whose value added fell by 1.8% in real terms. Similar to Vorarlberg, this development was mainly due to the manufacture of fabricated metal products, although to a smaller extent. Additionally, numerous service sector activities showed a downward trend in Upper Austria, such as transportation and storage.

In terms of GRP per capita, all federal provinces except Vienna recorded a real decline in 2023 (see table 1). Salzburg reached the highest GRP per capita at current prices at 63 700 euro, followed by Vienna at 59 500 euro and Vorarlberg at 54 600 euro. As in previous years, the eastern and southern federal provinces were below the Austrian figure of 51 800 euro.

The economic development was also reflected in the labour market, which proved to be relatively stable in 2023, even though the positive trend of recent years weakened. The number of jobs increased the most in Vienna (+1.9%), followed by Salzburg and Tyrol (+1.4% each). In Styria (+0.3%), however, there were already dampening effects from the reduction in temporary workers. Austria-wide, the number of jobs grew by 1.0%.

Lower Austria with the highest per capita income

Private households in Lower Austria recorded the highest disposable income per capita in 2023 at 29 400 euro, followed by those in Salzburg at 29 000 euro and Burgenland as well as Vorarlberg at 28 900 euro each (see table 2). The increase in compensation of employees at current prices was highest in Salzburg, while it was below average in the other three federal provinces mentioned; after Salzburg, the strongest increases in 2023 were recorded in Tyrol and Vienna. Mixed income at current prices (i.e. income from self-employment) showed above-average growth in the western federal provinces in particular, but also in Vienna.

Above the Austrian average of 28 200 euro was the per capita income of private households in Upper Austria at 28 600 euro and in Styria at 28 300 euro, while private households in Tyrol were exactly in line with the Austrian average at 28 200 euro. Private households in Carinthia recorded below-average incomes of 27 800 euro per capita. As in previous years, the federal capital Vienna had the lowest disposable income per capita at 26 200 euro. In contrast to GRP, which relates to the place of work, disposable income is assigned to the place of residence.

For further information concerning regional accounts, and for 2022 results on NUTS level 3 please refer to our [website](#). STATatlas provides interactive maps and charts on [GRP per capita and disposable income of private households](#).

Table 1: Gross Regional Product and employment 2023

Federal province	GRP 2023		GRP per capita 2023		Employment 2023	
	at current prices	based on previous year's prices	at current prices	based on previous year's prices	number of jobs	annual change in %
	in million euro	annual change in %	in euro	annual change in %		
Austria	473 227	-1.0	51 800	-1.8	5 026 500	1.0
Burgenland	10 993	-1.2	36 500	-1.7	141 900	0.9
Lower Austria	73 205	-1.3	42 500	-1.9	827 300	0.6
Vienna	118 680	2.5	59 500	0.8	1 172 000	1.9
Carinthia	26 639	-1.2	46 800	-1.6	292 600	0.5
Styria	61 224	-1.1	48 300	-1.7	705 900	0.3
Upper Austria	81 776	-1.7	53 600	-2.4	854 700	0.7
Salzburg	36 290	0.0	63 700	-0.7	351 700	1.4
Tyrol	41 953	-0.8	54 200	-1.5	459 000	1.4
Vorarlberg	22 305	-14.1	54 600	-14.9	219 900	0.8
Extra-Regio ¹⁾	161	-0.1	.	.	1 500	2.3

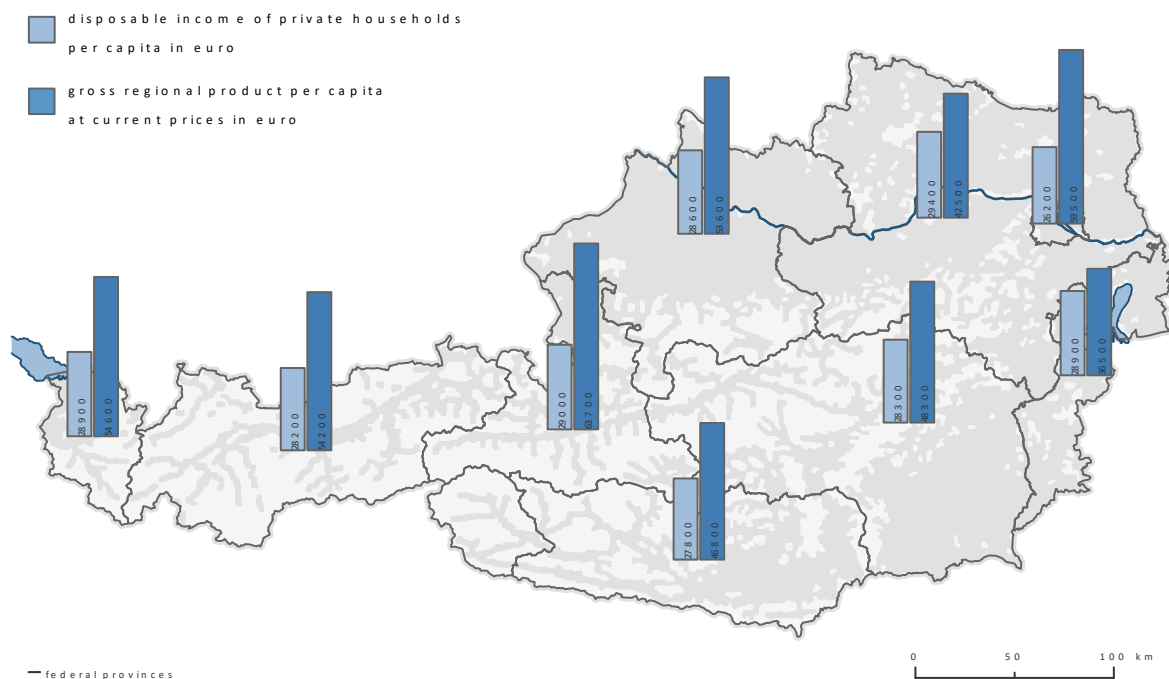
S: STATISTICS AUSTRIA, Regional Accounts. – Compiled on 17 December 2024. – Consistent with National Accounts dated September 2024. Concept: ESA 2010. 1) 'Extra-Regio' refers to parts of the economic territory not directly allocable to a region (e.g. embassies and military personnel abroad).

Table 2: Disposable income of households 2023 at current prices

Federal province	Disposable income 2023 at current prices		Disposable income per capita 2023	Share of total disposable income 2023	Share of resident population 2023
	in million euro	annual change in % ²⁾	in euro	in %	in million euro
Austria	257 122	7.8	28 200	100.0	100.0
Burgenland	8 727	6.9	28 900	3.4	3.3
Lower Austria	50 532	7.3	29 400	19.7	18.8
Vienna	52 306	8.3	26 200	20.3	21.8
Carinthia	15 845	7.7	27 800	6.2	6.2
Styria	35 928	7.5	28 300	14.0	13.9
Upper Austria	43 629	7.6	28 600	17.0	16.7
Salzburg	16 513	8.9	29 000	6.4	6.2
Tyrol	21 835	8.8	28 200	8.5	8.5
Vorarlberg	11 807	7.6	28 900	4.6	4.5

S: STATISTICS AUSTRIA, Regional Accounts. Compiled on 17 December 2024. – Consistent with Non-Financial Sector Accounts dated September 2024. Concept: ESA 2010 1.)Note: The Consumer Price Index (CPI) increased by +7.8% in 2023 compared to 2022.

Disposable income and gross regional product per capita in 2023



S: STATISTICS AUSTRIA.

Information on methodology, definitions: Regional Accounts are issued annually and provide data for major economic aggregates. Data are compiled for NUTS 2 regions (in Austria: federal provinces) and NUTS 3 regions (further information on our [website](#)). Regional Accounts data correspond to the concepts of the European System of Accounts 2010 (ESA 2010).

Gross regional product (GRP) is the regional equivalent of gross domestic product (GDP). Regarding GRP per capita, attention should be paid to the fact that GRP relates to the place of work, whereas the population

figures used to calculate GRP per capita relate to the place of residence; i.e. transregional commuter movements are not considered.

Total **employment** comprises employees and self-employed. Regional classification of employment is made according to the place of work.

Disposable income is the balancing item of the secondary distribution of income account which records redistribution of primary income through current transfers (taxes on income and wealth, social contributions and benefits, other current transfers). In contrast to GRP, disposable income is allocated to the place of residence; commuter effects can therefore occur when comparing the two figures.

Revised time series from 2000 onwards: These results also revise the entire GDP time series from 2000 onwards. In 2024, a comprehensive revision of the National Accounts (NA) and of the Regional Accounts (RA) took place across Europe. As part of the general revisions (benchmark revisions), which take place approximately every five years, the National Accounts and Regional Accounts are adapted to changed framework conditions throughout Europe. These major revisions are used to review and, if necessary, revise calculation methods, integrate new or adapted data bases and take account of ongoing changes in economic activity by introducing new concepts and definitions. In Regional Accounts, the standard method of regionalising multi-regional units was fundamentally revised.

Statistics Austria is the central organisation for official data and statistics on society, the economy, the state and the environment. As a national statistical institute, it is committed to the statutory principles of independence, impartiality and objectivity. Statistics Austria is headed by Tobias Thomas, Director General Statistics, and Franz Haslauer, Director General Finance.

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Media owner, producer and publisher:

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