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Austrian economy grew by 2.4% in 2018

Vienna, 2019-09-25 – The Austrian economy expanded by 2.4% in 2018, according to latest estimates by Statistics Austria. Hence, the growth rate is below the preliminary estimates, however, the economy increased significantly for the third time in a row (2016: +2.1%; 2017: +2.5%). With regard to the information so far available, real GDP growth was 2.0% in the European Union and, thus, fell short of the Austrian growth rate. The economic growth for Germany (+1.5%) and Italy (+0.9%), Austria's most important trading partners in the EU, was also lacking behind (Eurostat database, September 2019).

Austrian GDP at current prices amounted to approximately 385.7 bn euros (+4.2%) in 2018 and GDP per inhabitant equalled 43 640 euros.

Producing sector outperforms service sector since 2016

The economic growth of the producing sector was 4.7% in real terms and, thus, again significantly above that of the service sector with 1.7%, resulting in a growth rate of 2.6% for total value added. As in the previous years, the development of the producing sector was predominantly shaped by the substantial growth of manufacturing (+5.1% in real terms). Energy supply achieved the most significant growth rate of all industries (+6.5%); however, its share in total value added is much smaller. Growth in construction (+3.9% in real terms) was above average, too. Within the service sector, the highest growth rates were observed for transport services (+4.5% in real terms), for scientific activities and administrative services (+3.0% in real terms) and for restaurant and accommodation services (+3.0% in real terms). On the other hand, the development of financial and insurance services was slightly negative (–0.5% in real terms).

Investments keep momentum, upturn in export dynamics

On the expenditure side, gross fixed capital formation was the predominant category of domestic demand (+3.9% in real terms), thereby showing the most significant increase for machinery and equipment (+6.8% in real terms). The increase in consumption expenditure was 1.1% in real terms and, thus, fell short of the growth on the previous years (2016: +1.7%; 2017: +1.3%), showing a stronger growth for household consumption expenditure (+1.1%) than for government consumption expenditure (+0.9%).

Growth in exports of goods and services (+5.9% in real terms) was somewhat stronger than in the previous years (2016: +3.1%; 2017: +5.0%). The balance of trade in goods was positive for the fifth year in a row. However, the overall surplus in the external balance (+14.4 bn euros) was mainly based on trade in services (+10.7 bn euros).

Employment on all-time high

Compensation of employees (i.e. the total remuneration, in cash or in kind, payable by an employer to an employee) grew by 5.1% at current prices in 2018. Along with the growth of GDP at current prices by 4.2% and according to the logic of functional income distribution, the increase of gross operating surplus and mixed income was 3.9%. Real net disposable income of the total economy grew by 2.4%.

Employment expressed in full-time equivalents increased by 2.4%. The number of jobs rose by 1.9%, reaching an all-time high of about 4.75 million. At the same time the average hours worked per job decreased slightly by 0.1%, thus, leading to an increase of 1.6% in the volume of total hours worked

compared to the previous year. Finally, the trend in employment resulted in an increase in labour productivity per hour worked (+0.4%).

Overall price development below increase of consumer prices

The implicit price index of GDP (derived from the GDP at current prices and at constant prices respectively, based on previous year's prices) was 101.7. Hence, the overall price development was somewhat below the change of the consumer prices index (+2.0%).

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

<p>Information on methods, definitions: The national accounts estimates are based on the European System of National and Regional Accounts (ESA 2010), the implementation of which is obligatory for all EU member states by a council regulation to ensure that basic concepts and methods are standardized and comparable.</p>

Table 1: Gross Domestic Product (GDP), current prices and real terms 2010 to 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP, current prices, bn euro	295.90	310.13	318.65	323.91	333.15	344.27	357.30	370.30	385.71
% change	2.7	4.8	2.7	1.6	2.9	3.3	3.8	3.6	4.2
% change, real terms	1.8	2.9	0.7	0.0	0.7	1.0	2.1	2.5	2.4

S: STATISTICS AUSTRIA, National Accounts Data, Data as of September 2019.

Table 2: Selected economic activities, current prices and real terms 2010 to 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Agriculture, forestry and fishing, current prices, bn euro	3.75	4.35	4.30	4.06	4.00	3.89	3.97	4.46	4.42
% change	13.5	15.9	-1.2	-5.4	-1.6	-2.8	2.1	12.2	-0.8
% change, real terms	-5.1	14.3	-7.2	-3.0	2.8	2.1	4.5	2.5	4.1
Manufacturing, current prices, bn euro	48.76	51.47	53.23	53.43	55.17	57.46	60.68	62.52	65.30
% change	3.5	5.6	3.4	0.4	3.3	4.2	5.6	3.0	4.4
% change, real terms	8.1	7.2	2.0	0.3	2.2	0.9	4.6	4.7	5.1
Construction, current prices, bn euro	17.12	17.48	18.03	18.55	18.96	19.17	19.95	21.32	23.05
% change	-1.9	2.1	3.2	2.9	2.2	1.1	4.1	6.8	8.1
% change, real terms	-3.9	-0.9	-0.6	-1.2	-2.3	-2.5	0.5	4.3	3.9
Wholesale and retail trade, current prices, bn euro	34.33	36.25	36.41	35.41	36.64	37.53	37.94	38.15	40.05
% change	5.4	5.6	0.5	-2.8	3.5	2.4	1.1	0.6	5.0
% change, real terms	2.1	3.4	-1.7	-2.3	2.2	2.1	0.4	0.3	1.9
Accommodation and food service activities, current prices, bn euro	12.78	13.36	14.04	14.48	15.12	15.70	16.66	17.12	18.28
% change	2.3	4.6	5.1	3.2	4.4	3.8	6.2	2.8	6.7
% change, real terms	1.2	0.7	1.8	-0.2	-0.4	-0.2	2.2	0.2	3.0
Information and communication, current prices, bn euro	8.52	9.22	9.41	9.80	10.36	10.70	11.45	11.81	12.25
% change	0.3	8.2	2.0	4.2	5.7	3.2	7.1	3.1	3.8
% change, real terms	-2.5	7.3	-0.8	2.2	1.4	1.5	5.6	2.7	2.7
Real estate activities, current prices, bn euro	24.05	25.28	26.37	27.74	28.68	29.90	31.01	32.64	34.03
% change	4.2	5.1	4.3	5.2	3.4	4.3	3.7	5.3	4.3
% change, real terms	1.6	3.2	1.7	1.9	0.9	-0.5	1.1	0.7	0.9
Public Administration, current prices, bn euro	14.39	14.53	14.88	14.97	15.23	15.72	16.20	16.65	17.17
% change	1.3	0.9	2.5	0.6	1.8	3.2	3.0	2.8	3.1
% change, real terms	0.0	-0.3	-0.1	-0.5	0.1	1.3	1.8	1.3	1.0

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Table 3: Selected expenditure aggregates, current prices and real terms 2010 to 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Consumption expenditure, current prices, bn euro	218.95	227.25	233.64	238.33	243.86	249.40	257.17	265.53	274.18
% change	2.5	3.8	2.8	2.0	2.3	2.3	3.1	3.3	3.3
% change, real terms	0.7	1.0	0.4	0.1	0.4	0.6	1.7	1.3	1.1
Gross fixed capital formation, current prices, bn euro	63.90	69.69	72.17	74.63	75.49	78.14	82.53	87.13	92.37
% change	-1.0	9.1	3.6	3.4	1.2	3.5	5.6	5.6	6.0
% change, real terms	-2,6	6,6	0,9	1,6	-0,4	2,3	4,1	4,0	3,9
Exports of goods and services, current prices, bn euro	151.68	167.31	171.99	173.10	177.86	182.77	187.41	200.10	215.06
% change	16.5	10.3	2.8	0.6	2.7	2.8	2.5	6.8	7.5
% change, real terms	13.1	5.9	1.4	0.6	2.9	3.0	3.1	5.0	5.9

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Table 4: Selected income aggregates 2010 to 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Compensation of employees, current prices, bn euro	138.88	144.32	150.32	154.51	158.79	163.66	170.08	176.07	185.11
% change	2.0	3.9	4.2	2.8	2.8	3.1	3.9	3.5	5.1
Operating surplus, current prices, bn euro	120.21	126.62	127.49	127.76	131.92	135.95	141.84	147.78	153.53
% change	3.3	5.3	0.7	0.2	3.3	3.1	4.3	4.2	3.9
Gross national income, current prices, bn euro	298.37	311.17	318.98	324.78	333.59	340.88	357.27	366.97	384.65
% change	3.6	4.3	2.5	1.8	2.7	2.2	4.8	2.7	4.8
Net disposable income, current prices, bn euro	243.59	254.44	259.73	262.79	270.53	276.13	290.05	297.95	311.53
% change	3.8	4.5	2.1	1.2	2.9	2.1	5.0	2.7	4.6
% change, real terms	2.1	1.6	-0.2	-0.4	1.1	0.4	3.7	0.9	2.4

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