Federal Ministry
Republic of Austria
Finance

Austrian Draft Budgetary Plan 2023

Vienna, October 2022

Contents

1 Introduction

According to Article 4(2) Regulation (EU) 473/2013 Draft Budgetary Plans (DBPs) are to be compiled until 15 October each year. The DBPs are supposed to contain the draft budget for the subsequent year for the Federal Government and the main parameters for the other sectors of the state. They have to be published and forwarded to the European Commission (EC) and the Eurogroup.

The Austrian Draft Budgetary Plan 2022 is drafted in accordance with the „Two Pack Code of Conduct". It is based on data from the national accounts (ESA2010), as compiled by Statistics Austria (STAT) as well as calculations and assessments by the Federal Ministry of Finance (BMF) and forecasts by the Austrian Institute of Economic Research (WIFO) from October 2022.

2 Economic Situation in Austria

2.1 Economic development (2021-2023)

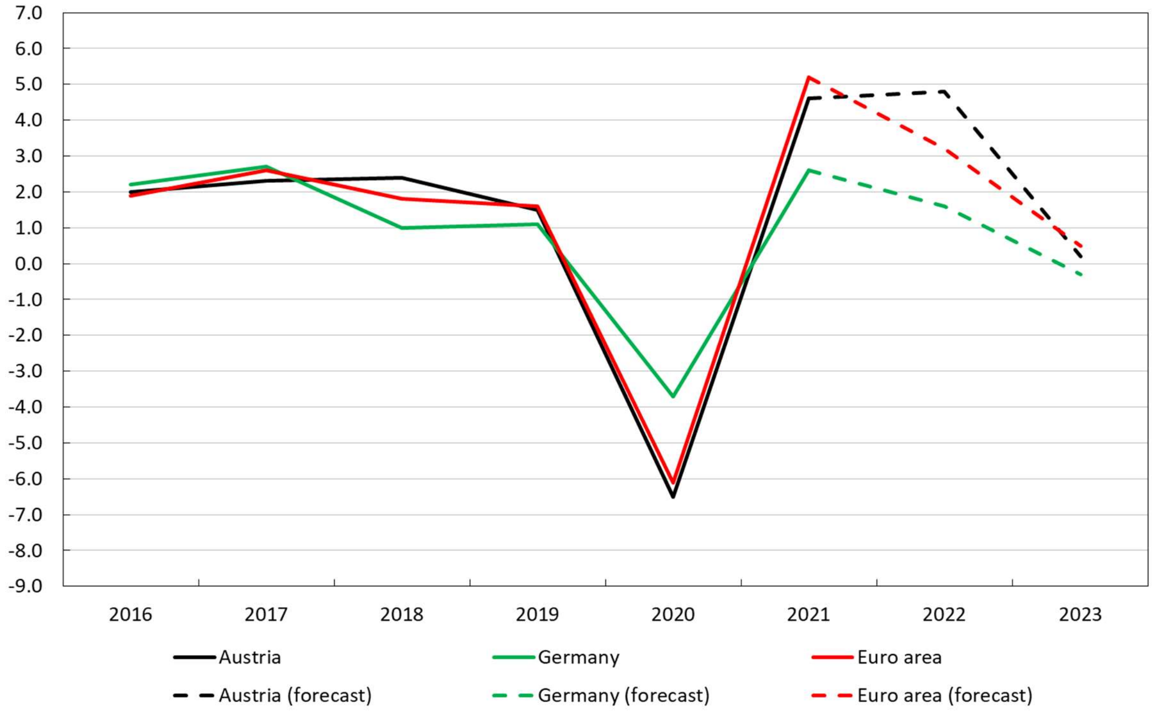
After a considerable decline in economic output in the first year of the pandemic, the Austrian economy recovered strongly in 2021. Due to the pandemic and associated containment measures, economic activity fluctuated significantly over the course of last year. Overall, real gross domestic product (GDP) grew by 4.6 %. The economic recovery was characterized by a favourable development in the industrial sector, but also the construction sector and less contact-intensive services grew strongly. On the expenditure side, real private consumption increased by 3.6 %. Both public consumption (+7.8 %) and gross fixed capital formation (+8.7 %) increased noticeably in 2021. While tourism exports declined for the second straight year, total exports grew by 9.6 % in real terms. Real imports increased by 13.7 % in 2021.

The economic recovery was reflected in the domestic labour market. The pre-crisis level of employment was already reached in May 2021. The number of employed persons increased by 95,400 persons, and labour supply in Austria rose by 17,500 persons. As a result, the number of unemployed fell significantly, although the unemployment rate – as defined by Eurostat – increased by 0.2 pp. to 6.2 %.

Consumer prices (CPI) have gradually increased in the last year and the annual inflation rate of 2021 was 2.8 %. The inflation rate was thus twice as high as in the year before. Due to increased fuel prices, transport prices were the most important price driver. There were also noticeable increases in the category of housing, water, and electricity, which can be attributed to higher prices for energies. Food and beverage serving services were the third strongest price driver last year.

In Germany, Austria's most important trading partner, real GDP rose by 2.6 % in 2021. The Euro area recorded a growth rate of 5.2 % in the last year.

Figure 1: Real GDP growth (Austria, Germany and the Euro area)



Left axis: Rate of change over previous year in %
2022 and 2023: WIFO (October 2022)
Sources: EUROSTAT (3 October 2022), WIFO

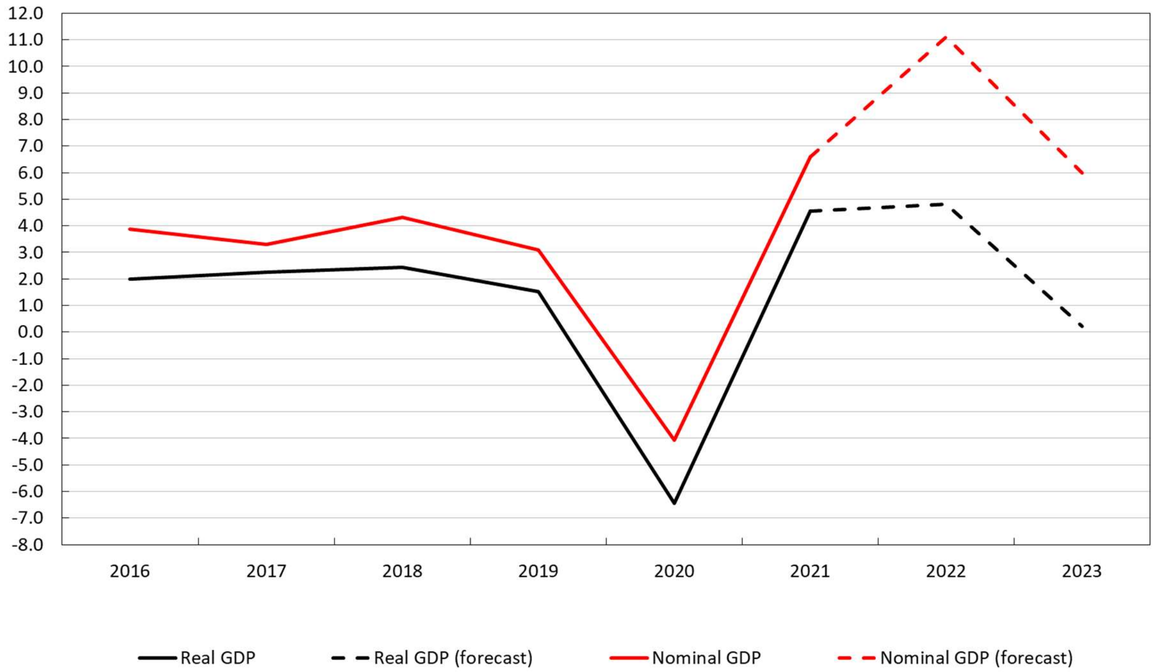
The economic recovery of 2021 continued in the first half of this year. According to STAT, the domestic economy grew by 1.9 % quarter-on-quarter in the second quarter of 2022, after real GDP had already risen sharply at the beginning of the year. In the second quarter, real economic output was 3.9 % higher than in the same quarter of the pre-pandemic year 2019. As a result, Austria was able to recover from the pandemic-related slump in GDP much faster than Germany (+0.7 %) or the Eurozone (+2.2 %). The tourism sector, which was particularly hard hit by the COVID-19 pandemic, has recently been able to fully recover. The weekly economic activity indicator of the WIFO shows that the Austrian economy was still expanding in September.

This positive economic development is also reflected in the domestic labour market. In the first half of 2022, employment increased by 4.4 % compared to the previous year. In addition, a record number of vacancies was recorded in the second quarter of 2022. However, the current year is also characterized by increasing consumer prices. Inflation accelerated gradually this year and was 10.5 % according to a flash estimate in September. In summary, the Austrian economy – apart from rising inflation – is still in a good position, but cannot detach itself from global economic developments.

The slowdown of the world economy is dampening the economic outlook for Austria. In addition, high import prices for energies and commodities represent a negative terms-of-trade shock that pushes up domestic prices and reduces the purchasing power of Austrian households. Moreover, the economic upswing in 2021 was accompanied by an increase in labour shortages. In business surveys, industrial and construction companies stated that labour shortages as well as material and capacity bottlenecks were the two main production limiting factors.

Russia’s aggression against Ukraine has pushed confidence indicators down as the conflict has progressed. The Economic Sentiment Indicator of the European Commission (ESI) and the WIFO Business Climate Index fell recently, with the latter still in positive territory. In September, the Purchasing Managers Index (PMI) was just below the growth threshold of 50 points, and economic prospects are also clouded by a decline in consumer confidence.

Figure 2: Real and nominal GDP growth



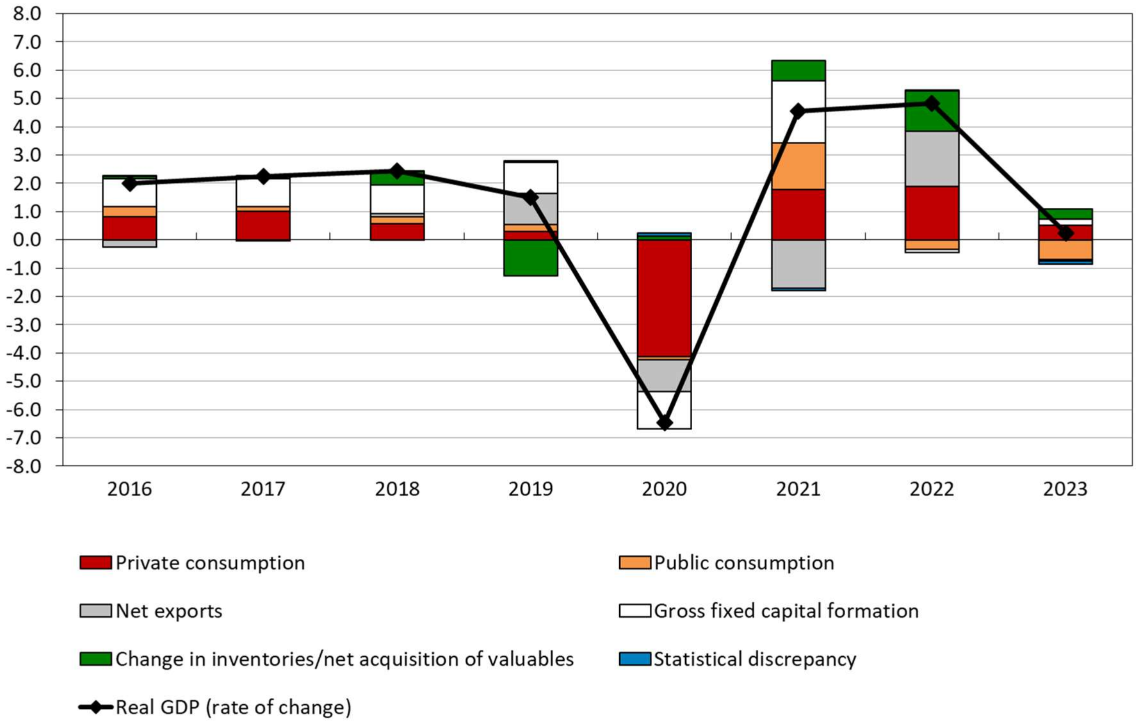
Left axis: Real and nominal GDP (rate of change over previous year in %)
Sources: BMF, STAT, WIFO

On 7 October 2022, the WIFO has published a growth forecast for 2022 and 2023. Under the above conditions, real GDP is expected to grow strongly by 4.8 %. Therefore, this year’s growth rate should be well above that of Germany (1.6 %) and the Eurozone (3.2 %).

According to the WIFO forecast, real consumption should rise by 2.2 % this year. While private consumption is expected to increase by 3.8 %, public consumption is likely to fall by 1.5 %. Gross fixed capital formation expanded strongly in the last year, but for 2022 a slight decline of 0.5 % is projected. Net exports will make a noticeable contribution to this year's GDP growth rate. At 9.4 %, real exports are expected to grow much more than imports (+6.0 %). After two years of the COVID-19 pandemic, tourism exports are forecast to almost double (+99.2 %), but goods exports also record a remarkable increase of +8.0 %. Besides a moderate expansion of the industry sector, services are a pillar of this year's growth rate.

In the next year, GDP growth is projected to slow down to only 0.2%. Despite high consumer price inflation, the WIFO expects private consumption to increase by 1.0 % in real terms. The resilience of private consumption can be attributed to expected nominal wage increases, government support measures and a decline in the saving rate of households. According to the WIFO forecast, public consumption will record a further decline in 2023 (-3.5 %) due to the reduction in pandemic-related fiscal measures. Gross fixed capital formation is forecasted to increase by 0.8 % in 2023. Real exports and imports are each projected to expand by 0.9 %.

Figure 3: Contribution to real GDP growth



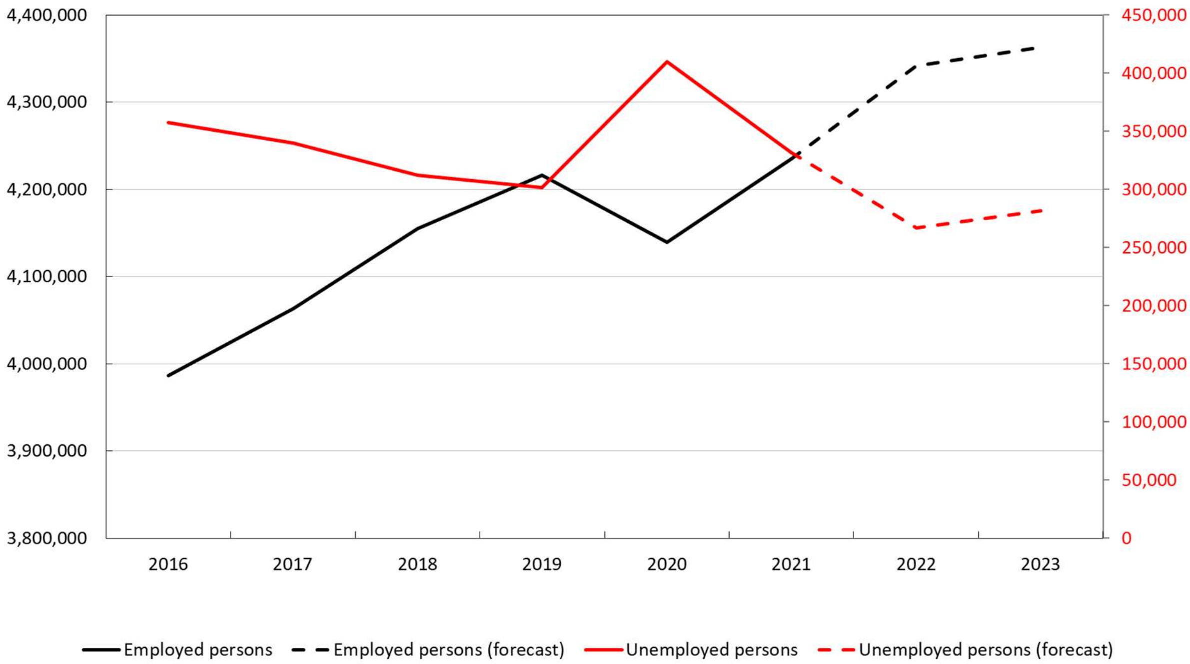
Left axis: Contribution to real GDP growth in percentage points
Sources: BMF, STAT, WIFO

The relatively favourable development of the Austrian labour market will continue throughout the forecast horizon. For the current year, the WIFO expects the number of employed persons to increase by 107,000 persons. At the same time, the labour supply is projected to rise by 42,000 persons. Accordingly, the unemployment rate (Eurostat definition) will come down from 6.2 % in the previous year to 4.6 % in 2022. As a result, the annual unemployment rate of

2022 should be below the pre-pandemic value of 2019. Despite the weak economic environment next year, the unemployment rate is forecasted to rise only slightly to 4.7 %.

After 2.8 % in 2021, consumer price inflation will be particularly high in 2022 and 2023. Consumer prices are projected to rise by 8.3 % this year. Expensive household energies and fuels are making a significant contribution to this year's inflation rate, but other components of the consumer price index, such as food, are also becoming noticeably more expensive. In the next year, prices will increase by 6.5 %.

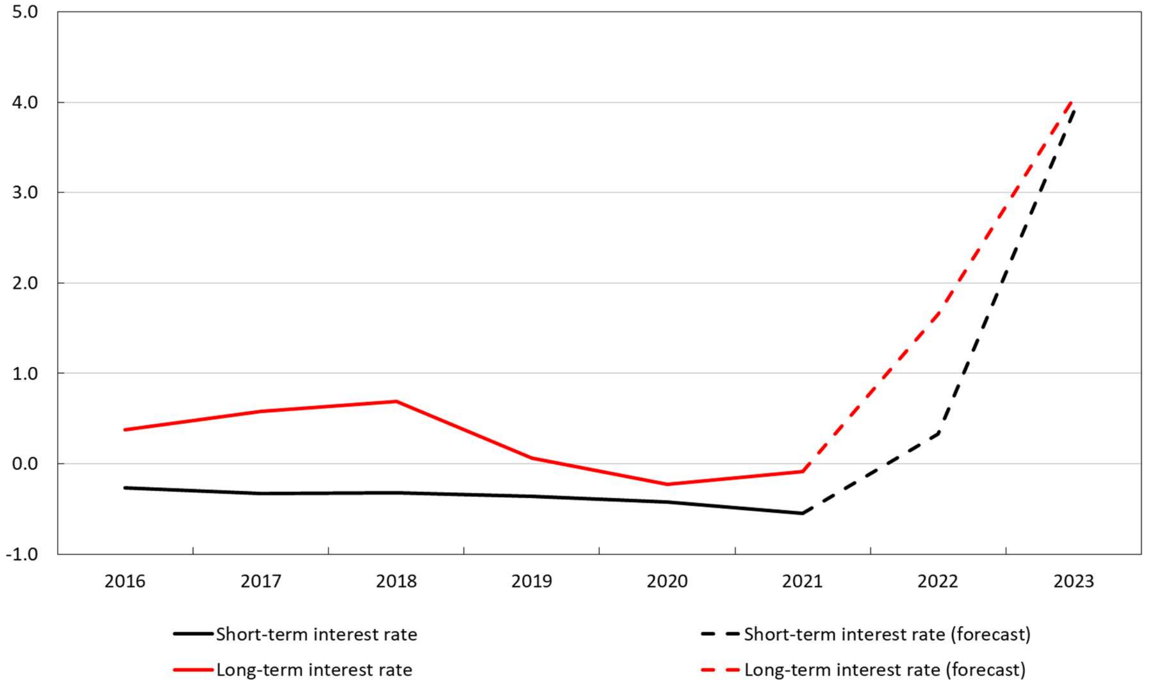
Figure 4: Employed and unemployed persons



Left axis: Employed persons
Right axis: Registered unemployed persons
Sources: AMS, BMSGPK, BMF, WIFO

After 2008, the short-term and long-term interest rates of Austria were on a downward trend. This was due to the measures taken by the European Central Bank (ECB) and the excellent creditworthiness of the Republic of Austria. In light of the ongoing monetary policy tightening, interest rates will increase considerably from 2022 onwards. Short-term interest rates were negative from 2015 to 2021, and a positive interest rate of 0.3 % is expected for the current year. In 2023, short-term interest rates will increase further to 3.9 %. Long-term interest rates fell continuously until 2016. In 2019, the long-term interest rates turned negative, but the annual average was 0.1 %. After two years of negative long-term interest rates, the WIFO projects long-term interest rates to rise to 1.7 % this year. Long-term interest rates are projected to increase to 4.1 % in the next year.

Figure 5: Development of short- and long-term interest rates



Left axis: Annual average (in %)
Sources: BMF, WIFO

2.2 Financial sector developments

On 24 February 2022, Russia invaded Ukraine, which led to far-reaching economic and financial sanctions against Russia and contributed to a significant increase in energy and commodity prices. Some commodity prices have weakened since the summer of 2022, but there have been further strong increases in the price of gas and electricity in Europe.

From the beginning of 2022, there was an increase in interest rate hike expectations for the Euro area and the US, with negative effects on the stock markets. The ECB started raising policy interest rates in July 2022, the US Federal Reserve already in March 2022. Due to the persistently high inflation, further policy interest rate increases are to be expected.

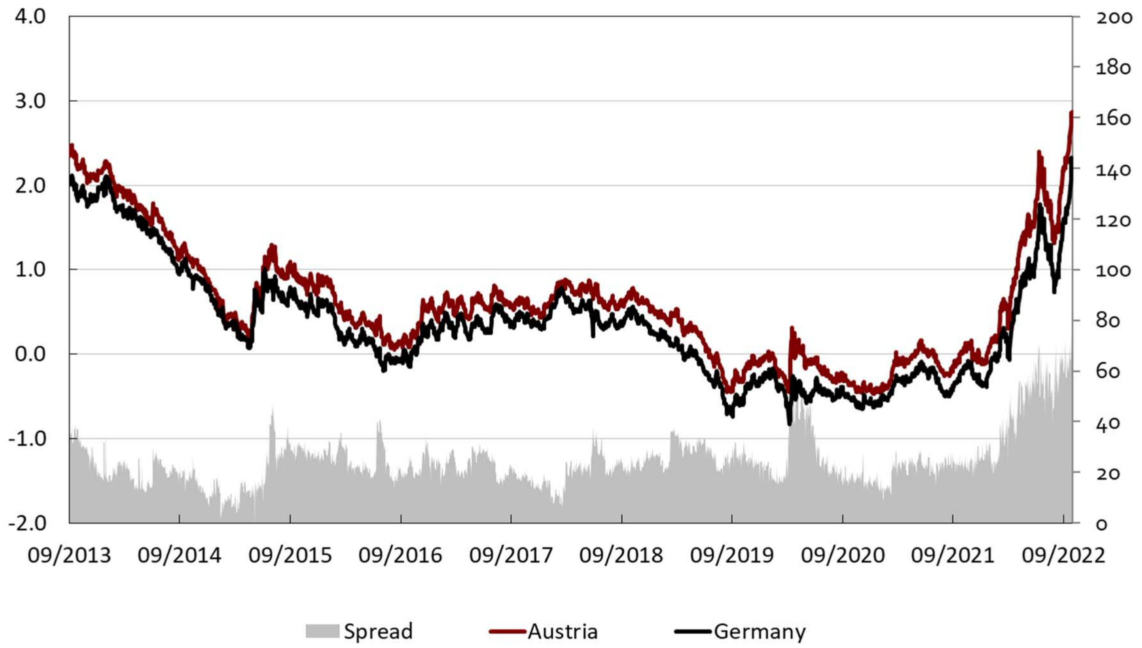
The Euro has been on a downward trend against the dollar since September 2021 and temporarily reached a 20-year low in September 2022, with a year-on-year decline of around 20 % against the dollar.

2.2.1 Long-term interest rates

Long-term Austrian interest rates (10-year government bond yield) were slightly negative for most of 2021. From March 2022 onward, there was a significant rise in long-term interest rates as inflation expectations in the Euro area increased. Persistently high inflation and significant ECB rate hikes caused the 10-year Austrian yield to rise to around 2.9 % at the end of September 2022, its highest level since the 1st quarter of 2012.

The spread of the 10-year Austrian yield to the 10-year German yield on government bonds (without maturity adjustment) fluctuated between 15-30 basis points during 2021 and showed relatively low volatility. However, due to the Ukraine war, Austria's interest rate spread to Germany started to rise in February 2022, as Austria is relatively dependent on Russian energy supplies. In September 2022, the Austrian interest rate spread versus Germany was just over 60 basis points.

Figure 6: Long-term interest rates and spread

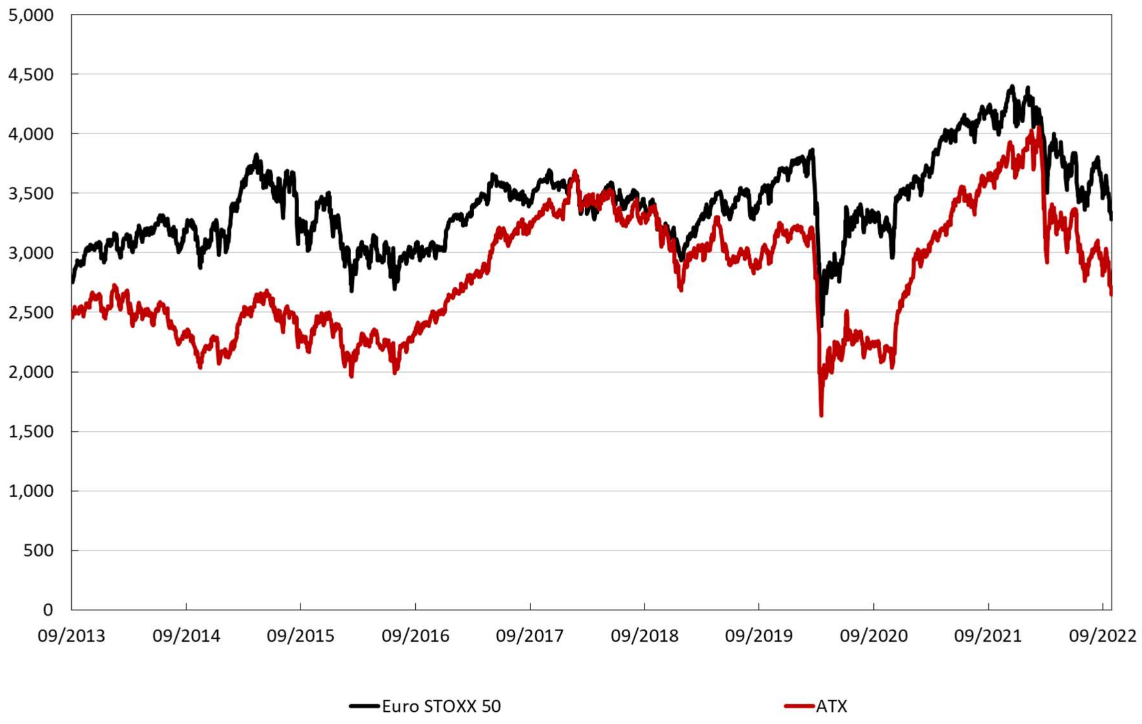


Left axis: Long-term interest rates in %
Right axis: Spread in basis points
Sources: BMF, Macrobond (30 September 2022)

2.2.2 Equity market

In recent years, the Austrian stock market (ATX) has mostly moved in line with the Euro-Stoxx-50 index, but the recovery of the ATX in 2021 was more dynamic than that of the Euro-Stoxx-50. In February 2022, the ATX initially rose to its highest level since June 2008, only to lose by up to 20 % due to the Ukraine war. Thereafter, there was strong volatility due to the persistently high global uncertainties. After an initially positive development in the summer, a downward movement set in again in mid-August 2022 because of rising gas and electricity prices, higher long-term interest rates and increasing fears of a significant economic slowdown.

Figure 7: Equity market performance



Left axis: Index
Sources: BMF, Macrobond (30 September 2022)

2.3 Assessment of the rating agencies

The three largest rating agencies continue to assess the creditworthiness of the Republic of Austria at the second-best grade AA+ (Standard & Poor’s, Fitch) and Aa1 (Moody’s), respectively. The rating outlook has deteriorated as a consequence of Russia’s war of aggression in Ukraine and its impact on energy markets and public debt. Standard & Poor’s downgraded the outlook to “stable”, from a short-lived increase to “positive” just before Russia’s invasion. Fitch lowered the outlook to “negative” in early October. Moody’s kept the outlook at “stable”. The outlook informs about possible rating changes within the following 18-24 months.

Positive factors according to the rating agencies' assessment are the strong political and social institutions, high wealth, the diversified, competitive and export-oriented economy and moderate indebtedness of the private sector. The structure of public debt is favourable, with an average residual maturity of almost 11 years and an average interest rate of 1.2 %, and there are no foreign currency risks. Responsible budgetary policy prior to the COVID-19 crisis allowed comprehensive support for affected sectors, preserving the economies' productive potential.

Compared to „AAA"-rated countries, the public debt stock was high even before the COVID-19 crisis. In addition, high and rising pension expenditure and structural weaknesses (rigidities in the service sector, high tax burden, low employment rate of older workers) are assessed as negative factors. The geopolitical risk, rising energy prices and potential supply bottlenecks exert pressure on the sovereign rating, due to their impact on GDP and public debt. In the short- to medium term, the resilience of the economy and public finances towards the energy price shock and the structural policy reform agenda will be decisive for the rating.

2.4 COVID-19: Qualitative description of economic policy measures and their effects

The COVID-19 support measures expired in most cases at the end of March 2022, with only some instruments still available for application.

In the period March 2020 to September 2022, a total of 40.6 bn Euro was disbursed from the federal budget for measures to deal with the COVID-19 crisis. Added to this are non-cash tax deferrals (still suspended as of 30 September 2022: 0.7 bn Euro) and guarantees (outstanding liability amount as of 30 September 2022: 5.2 bn Euro).

Short-time work: At the beginning of July 2022, the short-time work transition phase (phase 6) started, which will be available until the end of 2022. The short-time work transition phase essentially corresponds to the transition model of phase 5 with reduced funding levels, although there are further tightenings such as a mandatory consultation procedure for companies or an obligation to provide information on the billed hours lost. Phase 6 of short-time work is intended to ensure an orderly transition to a regular short-time work model in a period of economic uncertainty. In general, in the current economic situation, only very specific individual cases are now expected to arise in connection with temporary and non-seasonal economic difficulties. COVID-19-related impacts or constraints, on the other hand, no longer play a role in the vast majority of cases. For this reason, phase 6 short-time work is no longer counted as COVID-19 crisis response and a final count is reported when phase 5 disbursements end. By the end of September 2022, disbursements for Corona short-time work (phases 1 to 5) totalled at 9.8 bn Euro.

COFAG[1]-Grants: The application deadlines have now expired for all COFAG grants; the last grant that could be applied for was 'loss compensation III' until 30 September 2022 (the applied volume for this product is not yet final). By 30 September 2022, the federal government had transferred 14.3 bn Euro to COFAG for payment of the grants. The following is the status of processing per product:

- **Loss compensation III:** Applications for loss compensation III could be submitted until 30 September 2022; as a result, the data on the volume applied for is not yet final. As of 30 September 2022, applications from 2,458 companies with a volume of 0.1 bn Euro had been recorded. As of 30 September 2022, applications from 477 applicant companies had been positively completed. The grants awarded amount to 11.7 m Euro, of which 10.5 m Euro have already been paid out or released for payment.
- **Loss compensation prolongation:** By 30 September 2022, applications from 2,887 applicant companies had been positively completed. The grants awarded amount to 93.3 m Euro, of which 81.8 m Euro have already been paid out or released for payment.
- **Loss compensation:** By 30 September 2022, applications from 2,777 applicant companies had been positively completed. The grants awarded amount to 1,435.1 m Euro, of which 1,159.8 m Euro have already been paid out or released for payment.
- **Fix cost subsidy 800,000:** By 30 September 2022, applications from 122,934 applicant companies had been positively processed. The grants awarded amount to 2,850.8 m Euro, and 2,751.0 m Euro have already been paid out or approved for payment.
- **Fix cost subsidy I:** By 30 September 2022, applications from 129,427 applicant companies had been positively settled. Grants awarded amount to 1,414.1 m Euro, of which 1,388.4 m Euro have already been paid out or released for payment.
- **Loss Bonus:** As of 30 September 2022, 797,665 applications from 171,050 applicant companies have been approved for a grant amount of 5,172.5 m euro, of which 5,169.7 m Euro have already been disbursed or approved for disbursement.
- **Lockdown turnover subsidy (Nov. & Dec. 2020, incl. indirectly affected):** As of 30 September 2022, applications from 109,289 companies for November revenue replacement, 105,307 companies for December turnover replacement and 3,176 companies for indirect turnover replacement had been positively settled. The approved grants amount to 2,261.1 m Euro for November turnover replacement, 1,017.2 m Euro for December turnover replacement and 117.0 m Euro for indirect turnover replacement (a

[1] COFAG = COVID-19 Finanzierungsagentur des Bundes GmbH

total of 3,395.4 m Euro). A total of 3,395.2 m Euro have been paid out as of 30 September 2022.

WKO[2]-Hardship Fund: The application deadline for the WKO hardship fund has already expired on 2 Mai 2022. A total of 2,362,484 applications were submitted. Of these, 2,057,632 applications (87.1 %) were positively processed and 270,473 applications (11.4 %) were rejected. 26,085 applications (1.1 %) were withdrawn and 8,277 applications (0.4 %) were reversed. As of 30 September 2022, 17 Phase 4 applications were still being processed. The total amount of funding (phases 1-4) as of 30 September2022 is 2,415.8 m Euro, the number of persons funded is 240,774 and the average amount of funding paid out per person is 10,033 Euro.

Further important COVID-19-measures: A total of 7.2 b Euro has been spent on health policy measures since the outbreak of the COVID 19 pandemic until the end of September 2022. Grants to municipalities under the Municipal Investment Act 2020 (KIG 2020) cumulatively totalled 0.9 bn Euro through 30 September 2022. The application deadline for the last period of consideration of the NPO[3] Support Fund (first quarter of 2022) is still possible until 31 October 2022. By 30 September 2022, 0.8 bn Euro had been disbursed to over 23,000 organizations. By the end of September 2022, a total of 0.2 bn Euro had been paid out to agricultural and forestry businesses, private room rentals and tourist rentals from the AMA[4] aid measures (hardship fund, turnover replacement and loss bonus).

COVID-19-Guarantees: The total outstanding guarantee amount (adjusted for liabilities already terminated/refunded) was 5.2 bn Euro as of 30 September 2022. The total guarantees declined slightly throughout 2021, and this trend continued in 2022. The total outstanding guarantees as of 30 September 2022 is 0.8 bn Euro below the level as of 31 December 2021 and is as low as it was last seen in mid-June 2020. This is mainly due to the fact that OeKB's[5] Special Framework KRR[6] has been retired or has expired: As of 30 September 2022, the outstanding guarantees amounted to 5.2 bn Euro. 2022, the outstanding guarantee volume of OeKB Special Framework KRR was 0.7 bn Euro below the level as of 31 December 2021, and 1.4 bn Euro below the peak level at the end of July 2020. The outstanding guarantees of the other instruments also decreased to a minor extent compared with the level at the end of 2021.

[2] WKO = Wirtschaftskammer Österreich
[3] NPO = Non-Profit-Organisation
[4] AMA = AgrarMarkt Austria
[5] OeKB = Oesterreichische Kontrollbank AG
[6] KRR = Kontrollbank Refinancing Framework

Tax deferrals related to COVID-19: As of 30 September 2022, Phase 1 of the COVID-19 instalment payment model expired, resulting in a significant decrease in taxes still deferred due to COVID-19. As of 30 September 2022, 0.7 bn Euro remained suspended, this is a decrease of 1.2 bn Euro from the year-end 2021 level.

2.5 Recovery and Resilience Facility

With the Recovery and Resilience Facility, a 724 bn Euro instrument was established at EU level to support the economic recovery following the COVID-19 crisis, promote the green and digital transition, mitigate the social impact of the crisis and increase the resilience of Member States. Over the period 2020-2026, Member States will be made available 338 bn Euro in grants and close to 386 bn Euro in loans.

The funds provided by the Facility will be used in accordance with Recovery and Resilience Plans prepared at the national level and adopted by the Council on the basis of a proposal by the Commission. By early October 2022, all Member States have submitted their Plans, of which 26 were adopted by the Council. The positive assessment of Hungary's Plan by the Commission is still pending, due to concerns regarding the rule of law. Austria submitted its Recovery and Resilience Plan (ARP) to the Commission on 30 April 2021. The Commission's positive assessment was released on 21 June 2021. On 13 July 2021, the Plan was adopted by the ECOFIN Council. The ARP contains 27 reforms and 32 investments, at a total volume of 4.5 bn Euro. Grants from the Recovery and Resilience Facility will finance 3.75 bn Euro, the remainder will be financed from the national budget. A loan from the Facility has not been requested, due to the favourable financing conditions of the Republic.

The ARP contains reforms and investments in four areas: green transition, digital transition, knowledge-based transition and just transition. It is exemplary in several respects: 46 % of the funds will be used to support climate objectives and 41 % to support digital objectives, thus significantly exceeding the minimum requirements. The ARP is also very ambitious as regards the implementation of the country-specific recommendations.

The ARP's main investment projects in terms of their volume are the broadband expansion, environment-friendly mobility, digitalisation and greening of firms, education/research/innovation, circular economy and the renovation of buildings. Key reforms in the plan are i.a. the eco-social tax reform, the pension splitting, the Green Finance Agenda, the Renewables Expansion Law, the Waste Management Act, the start-up package, measures to strengthen equity capital, the further development of long-term care and spending reviews.

By including measures into the ARP, their implementation becomes mandatory, as non-compliance would entail financial disadvantages for the Republic. This also applies to reforms, which typically do not require funding from the Facility, but are a key element of the Commission's positive assessment of the ARP. The Recovery and Resilience Facility establishes, for the first time and in a bold way, a link between funding from the EU budget and reforms at the national level, to make EU Member States, in particular the economically weaker ones, stronger, more resilient, greener, more digitalised and fairer. As a small open economy, Austria can be expected to benefit significantly from the expected spillover effects, e.g. via award of contracts to Austrian (construction) firms and exports of green products and technologies. Traditionally strong links to Central and Eastern European Member States with a relatively high allocation from the Facility may be an additional advantage.

Following the signing of the Financing Agreement, a pre-financing amounting to 450 m Euro was paid out in late September 2021. Further pay-outs will take place in tranches, following the fulfilment of the milestones and targets agreed for the specific period.

The implementation of the measures in the ARP is the responsibility of the competent ministries. In addition to the timely implementation of the milestones and targets, the ministries have to comply with comprehensive reporting and audit requirements. The Ministry of Finance (BMF) assumes a coordinating role, in particular with respect to the communication with the Commission and the budgetary resources. All measures in the ARP will be reflected in the federal government budget, so that the responsible line ministries do not depend on the pay-outs by the Commission for the implementation and financing of the measures.

In line with Article 24 of Regulation (EU) 2021/241, after having fulfilled the agreed milestones and targets, Austria will submit a request for payment of the financial contribution to the Commission. The first Austrian payment request will take place in 2022.

Upon positive assessment of the payment request, a financial contribution amounting to 804.6 m Euro will be released. Given that the Republic of Austria has requested and received a pre-financing amounting to 450.0 m Euro, the tranches of to the respective payment requests will be adjusted proportionally, in line with Art. 13 of Regulation (EU) 2021/241. Taking into account the pre-financing, the expected pay-out related to the first payment request amounts to 700.0 m Euro.

The implementation status (as per the cut-off date) of the milestones and targets due by Q3/2022 is detailed in Table 21.

3 Economic and budgetary challenges, goals and strategy

The current political environment could hardly be more challenging: geopolitical tensions in Europe unprecedented for decades, the threat of a loss of prosperity as a result of the highest inflation rates in 70 years, and pronounced economic downside risks. This is against the backdrop of lingering uncertainty about the further course of the COVID-19 pandemic and the increasingly visible and tangible effects of climate change. In presenting the draft federal budget for 2023, the federal government is setting priorities in these turbulent times to address the most urgent challenges currently facing us:

- Strengthening purchasing power and cushioning the inflation-related loss of prosperity for citizens through short-term, temporary and structural, permanent relief measures
- Safeguarding Austria as a production location and promoting the climate-friendly transformation of industry to strengthen energy independence
- Investing in public safety and core military capabilities in response to changing geopolitical threat environment
- Comprehensive reform of the care sector

The burden on the budget from the temporary measures to deal with the COVID-19 crisis and the energy crisis decreases over the planning period and investments in climate protection and public safety increase. In sum, there is a gradual reduction in the budget deficit and a decline in the debt ratio.

Strategic gas reserve: Austria's huge dependence on Russian natural gas supplies, which still existed at the beginning of 2022, represented a worrying risk. As of 2 October 2022, however, the storage facilities were already filled to 80.75 % or 77.16 TWh. This ensures the security of supply for households and businesses in the coming months. An essential basis for this was the procurement of a national strategic gas reserve of 20 TWh, which amounted to a total of 3.8 bn Euro. Revenues from any sale of gas volumes from the strategic gas reserve are available for restocking the gas reserves. In the years from 2023 onwards, only storage costs are budgeted (0.1 bn Euro). In addition, there will be 0.1 bn Euro annually for the measures of the Gas Diversification Act.

Structural relief measures: The volume of permanent relief measures amounts to 2.3 bn Euro in 2023 and includes the following measures in the tax and tariff system as well as the indexation of social benefits:

- **Bracket creep abolition:** From 2023 onwards, the real loss of income experienced by people due to the effect of bracket creep will be compensated by adjusting the main elements of the income tax scale to the rate of inflation. An automatic adjustment of two-thirds will be made annually. The remaining third is to be used for targeted relief measures, primarily in the realm of income tax. An inflation rate of 5.2 % was calculated for the adjustment in 2023 (period considered: July 2021 to June 2022). The bracket creep in 2023 amounts to 1.9 bn Euro (WIFO & IHS, 2022). The automatic adjustment of two thirds will compensate 1.2 bn Euro for 2023. The remaining third, amounting to 0.6 bn Euro, will be compensated by a higher indexation in the lowest two income tax brackets (specifically by 6.3 %), an increase in the tax credits by the entire inflation rate (by 5.2 %) and an increase in the other tax brackets (with the exception of the top tax rate) by two-thirds of the inflation rate (3.46 %). The impact on payments in 2023 amounts to 1.5 bn Euro.
- **Indexation of the child tax credit:** The child deduction, which is paid out together with the family allowance, will be indexed annually from the calendar year 2023. The adjustment factor for 2023 is 5.8 %.
- **Reduction of contributions to Family Burden Transfer Fund (FLAF):** In order to further reduce the burden on the factor of labour, non-wage labour costs will be permanently reduced by 0.3 pp from 2023. Specifically, employer contributions to the FLAF will be reduced by 0.2 pp to 3.7 % and accident insurance contributions by 0.1 pp to 1.1 %. The reduction of the FLAF contributions will result in a relief of 0.4 bn Euro and the reduction of accident insurance contributions 0.1 bn Euro in 2023.
- **Measures in the area of agriculture and forestry:** In the area of agriculture and forestry, various existing limits will be adjusted to current inflation levels, resulting in an annual relief of 10.0 mn Euro.
- **Indexation of social benefits:** From 2023, social benefits that have not yet been indexed will be indexed (basis: inflation in the period from July of the previous year to June of the current year), similarly to the abolition of the bracket creep. These include the family allowance and the multiple child supplement, the childcare allowance and the family time bonus, the rehab & retaining money as well as the study allowance. The total relief effect in 2023 due to the indexations amounts to 0.3 bn Euro.

Short-term revenue-side measures: The temporary deposit relief measures amount to a total volume of 2.3 bn Euro in 2023:

- **Reduction of the energy tax:** The temporary reduction of the tax on electricity and natural gas will result in a relief of 0.5 bn Euro in 2023.
- **Commuters relief measures:** The relief effect of the three measures – 50 % increase in the commuter lump sum, quadrupling of the 'commuter euro' and one-off payment for negative tax recipients - adds up to 0.2 bn Euro in 2023.
- **Cost compensation for agricultural diesel:** The agricultural diesel cost compensation will relieve the agricultural and forestry sector of 27.0 mn Euro in 2023.
- **Tax and duty free cost of living bonus:** Due to the increased prices, a tax and social insurance and non-wage labour cost exemption was introduced for payments by the employer (in addition to wages) in 2022 or 2023 up to a total amount of 3,000 Euro. For 2023, the expected relief volume amounts to 0.3 bn Euro.
- **Price increase tax credit:** Low-income earners in particular benefit from the negative taxable cost-of-living deduction, which is due once for the year 2022 and amounts to up to 500 euros. This will relieve low-income earners of a total of up to 1.0 billion euros.
- **Earlier start of the increase of the Family Bonus and the "Additional child allowance":** The increase of the Family Bonus Plus from 1,500 to 2,000 Euro (or for children over the age of 18 to 650 Euro) per year was brought forward from 1 July 2022 to 1 January 2022. In addition, the increase and extension of the additional child allowance from 450 to 550 Euro was also brought into force as early as 1 January 2022 due to the current inflation. The relief in 2023 via the assessment for the year 2022 amounts to a total of 0.25 bn Euro.

Major short-term expenditure-side measures: The temporary expenditure-side inflation related measures add up to 3.9 bn Euro in 2023, of which 2.8 bn Euro are for household relief and 1.1 bn Euro are for businesses:

- **Electricity price cushion (for households):** The aim of the electricity price cushion ("Stromkostenbremse") is to ensure households an affordable electricity supply covering a basic requirement. The basic requirement corresponds to about 80 % of the average consumption of Austrian households and amounts to 2,900 kWh per year. For this basic amount, the difference between a pre-crisis reference price of 10 cents per kWh and the electricity price according to the supplier contract is subsidised up to a maximum of 40 cents. Any electricity consumption above the basic quota is not subsidised, which means that energy-saving incentives and market price effects continue to exist. Special regulations are planned for households with more than three persons in the form of a "top-up" quota and for households with are exempt of ORF programming fees (which are collected by GIS) in the form of an additional subsidy of 75 % of the grid costs. The total volume of the measure amounts to 3.8 bn Euro, of which 2.7 bn Euro are allocated to 2023 and the rest to 2024.

- **Energy cost subsidy (for enterprises):** The energy cost subsidy is aimed at energy-intensive[7], commercial and non-profit enterprises and entrepreneurial areas of non-profit associations. The subsidy covers the period 1 February 2022 to 30 September 2022, can be claimed for electricity, natural gas and fuels and is tied to energy-saving measures. The structure is based on the European Temporary Crisis Framework for State Aid to Support the Economy in the Wake of Russia's Aggression against Ukraine (2022/C 131 I/01), which provides four support levels in order to achieve the highest possible degree of targeting. In total, the relief volume amounts to 1.3 bn Euro, of which 0.45 bn Euro still in 2022 and 0.85 bn Euro in 2023.
- **Electricity price compensation (for enterprises):** Electricity price compensation is intended to reduce the risk of energy-intensive companies relocating their production - and thus also their CO_2 emissions to countries with looser climate protection regulations. The measure provides for a proportional reimbursement of the "indirect CO_2 costs" in the calendar year 2022, which results for companies from passing on the actual CO_2 costs of electricity suppliers. The amount of the electricity price compensation is limited to 75 % of the "indirect CO_2 costs". The budgetary funds available are limited to 75 % of the equivalent of the revenues from the auctioning of EU emissions trading in 2021, which corresponds to 0.2 bn Euro.

Green Transition (transformation and energy independence): The importance of the transformation towards a climate-neutral society and economy is clearly proven, not least due to the dependence on Russian gas supplies. Following the significant increase in funding for climate protection in recent years, there will now be a further substantial increase of 0.9 bn Euro in 2023. The focus is on the implementation of climate and energy policy transformation processes (e.g. decarbonisation of energy-intensive industry and the support for households in converting to thermal measures or sustainable energy systems), in the area of energy efficiency, and in the area of green and digital future technologies for a sustainable and innovative transformation in key industries (both application-oriented research and strengthening of domestic production capacities and processes). In addition, the federal government will provide the municipalities with a special-purpose grant of 0.5 bn Euro through the Municipal Investment Act 2023. This will support municipalities in investing in the efficient use of energy, in switching to renewable energy sources or biogenic raw materials (bio-economy), and in expanding and decarbonising district heating and cooling systems.

---

[7] A company is to be classified as energy-intensive if the energy procurement costs amount to at least 3 % of the production value. In order to support smaller enterprises as well as entrepreneurial areas of non-profit associations, the 3 % energy intensity criterion is omitted for annual turnover of up to 700,000 Euro.

Military affairs (national defence and internal security): The defence budget is to be increased in line with the new challenges, with the aim of strengthening the military core competences. At the same time, investments in areas such as cyber defence or counter-terrorism must be continued in order to be prepared for non-conventional threats. For 2023, the increase for the Austrian Armed Forces amounts to 0.7 bn Euro[8]. The main focus of the armament investments is on improving the mobility of the forces on the ground and in the air, increasing the protection and effectiveness of the Austrian Armed Forces (including the renewal and expansion of the armoured fleet of the Army, drone defence, precision munitions and reconnaissance systems), cyber security and the expansion of self-sufficiency to strengthen defence readiness (e.g. improvement of infrastructure). Due to the effects and consequences of a non-military nature of the Ukraine war on Austria, the budget funds for internal security will also be increased in 2023. The additional budget funds will be used primarily for measures to strengthen resilience and crisis prevention.

Long-term care reform: In May 2022, the federal government presented the largest care reform package of the past decades. The care reform includes a large number of individual measures to meet the most urgent challenges in the care sector. This will create significant improvements in three areas – care professions, care training and those in need for long term care and their relatives. In total, the budgetary funds for the long-term care reform amount to 0.8 bn Euro in 2023, in particular for measures to increase the remuneration of persons in care professions (via the state governments), improvements for recipients of the long-term care allowance, measures in the area of care training as well as for the expansion of nursing schools.

3.1 Budget execution in 2021

The fiscal year 2021 was characterized by exceptionally strong growth in revenues up to a level exceeding the pre-crisis year 2019, due to the recovering economic situation. In particular, the extremely positive development on the labour market led to strong increases in taxes on income and wealth as well as social contributions. Taxes on production and imports also recorded strong growth and were already back above pre-crisis levels.

However, very high expenditures continued to be incurred for the immediate management of the COVID-19 crisis, mainly for intermediate consumption and in-kind and monetary social benefits. Subsidies decreased compared with 2020, but remained more than three times

[8] Value without accrual adjustment.

higher than in the pre-crisis year 2019. There was an increase in gross investment, while interest payments continued the trend of recent years and declined sharply.

Overall, the general government Maastricht balance improved significantly to -5.9 % compared with the historic negative value of -8.0 % in 2020. Thanks to strong nominal GDP growth, the debt ratio was already declining again in 2021 and stood at 82.3 % of GDP.

In the September notification by Statistics Austria, the following revisions occurred compared to the March 2022 notification:

- The general government balance remains unchanged at -5.9 % of GDP, and the debt ratio, at 82.3 % of GDP, is 0.5 percentage points lower than in the March notification. The latter is due in particular to an upward revision of GDP in the amount of 2.8 bn Euro.
- The Maastricht balance of the federal government deteriorated by 0.9 bn Euro to -5.4 % of GDP compared with the March 2021 notification, mainly as a result of a deterioration in extra budgetary units (revision of COFAG grants).
- In contrast, the state and local governments show a reduction in their deficits compared with the March notification. The provinces show an improvement of 0.3 bn Euro (+0.08 pp to -0.46 % of GDP), while the municipalities' result (0.06 % of GDP) is 0.5 bn Euro better. In both sectors, this is attributable to higher production revenues of the hived-off units and corrections in transfer income and expenditure.
- The positive social security balance was reduced by 0.1 bn Euro, in particular due to higher social benefits in kind, and is now balanced.

3.2 Budget in 2022

From the perspective of public finances, 2022 started off well. Revenues are developing dynamically thanks to comparatively high growth, supported by the elimination of many COVID-19 related restrictions, but also by the high inflation rate. The expenditure side is characterized by a significant drop in spending to deal with the COVID-19 crisis. However, the war in Ukraine and the resulting further acceleration in price dynamics, especially for fossil fuels and electricity, but also consumer goods, required new crisis management measures. The federal government adopted three comprehensive energy relief packages as well as structural measures to cushion the price shock for households and companies and to strengthen Austria's energy independence. The budgetary impact of these measures is leading to a significant increase in the general government Maastricht deficit and slowing the decline in the debt ratio. Nevertheless, on the basis of the current forecast, there is a significant improvement compared with 2021.

Net lending/borrowing

According to the current forecast of the Ministry of Finance (September notification), the general government Maastricht balance will amount to -15.9 bn Euro or -3.5 % of GDP in 2022. The forecast made in the April 2022 stability program is thus revised downward by 0.4 pp of GDP. Compared with 2021, however, this is a substantial improvement of 8.1 bn Euro or 2.4 pp of GDP, which is greater than the drop in the deficit in 2021 compared with 2020. Due to the effects of the war in Ukraine and the associated sanctions as well as energy relief packages, the Maastricht reference value of -3.0 % of GDP will thus not be reached in 2022.

Due to very high revenue shares, the Maastricht balance of the state governments is positive in 2022 and stands at 0.2 % of GDP. Municipalities are slightly positive at +0.0 % of GDP, and the social security sector shows a balance of +0.1 % of GDP.

Structural balance

GDP growth is still strong at a forecasted rate of 4.8 % in 2022, in particular as a result of catch-up effects after the COVID-19 crisis in the first half of the year. The output gap is positive in 2022, leading to a cyclical component of -0.7 % of GDP. The structural balance amounts to -4.2 % of GDP and thus declines compared with 2021 (-4.8 % of GDP).

Public debt

The decline in the debt ratio, which already began in 2021, will continue in 2022. This is due to the very high nominal GDP growth forecast of 11.1 %, which causes the debt ratio to decline despite an increase in absolute debt. Specifically, the debt ratio is expected to decline from 82.3 % of GDP at the end of 2021 to 78.3 % of GDP at 2022. In absolute terms, however, the debt level is expected to increase by 19.1 bn Euro from 334.2 bn Euro to 353.2 bn Euro. The increase in debt is higher than the absolute general government Maastricht deficit as a result of stock-flow adjustments (e.g. time adjustments related to payments for COFAG grants).

Revenues

Compared with 2021, general government revenue is expected to grow by a substantial 8.3 %. Revenue development in 2022 will be shaped primarily by five factors:

- A particularly dynamic development of taxes on production and imports (especially VAT revenues) was supported by a very high increase in nominal private consumption.

- Taxes on income and wealth, especially capital gains tax and corporate income tax, as well as personal income tax are developing very positively; this can be observed despite the dampening effect of tax measures under the eco-social tax reform in 2022.
- Social security contribution revenues are developing well due to the positive development of employment.
- State-owned enterprises (especially ÖBB, theatres, and museums) achieve significantly higher utilization rates than they did in 2020 and 2021, when they were affected by COVID-19 lockdowns.
- Short-term relief measures reduce tax revenues, such as lowering the energy tax or allowing companies to pay out tax-free cost-of-living bonuses (Tax and duty free cost of living bonus).

Expenditures

General government spending in 2022 increases by 3.9 % to a value of 236.1 bn Euro, despite declining COVID-19 measures, due to comprehensive energy relief packages to cushion high energy prices. This development nevertheless continues a gradual normalization of the government spending ratio from 56.7 % of GDP in 2020 towards 50 % of GDP (52.3 % of GDP in 2022), which was initiated in 2021.

The expenditure-side support measures for companies to cope with the COVID-19 crisis will expire in 2022, and the instrument of short-time work has been adapted and will be continued as a model in times of economic uncertainty.

Measures to cushion rising energy prices include an increase in the climate and anti-inflation bonus by 2.8 bn Euro, which is reflected in rising current transfer expenditures. Various relief measures for vulnerable groups, families and pensioners increase monetary social benefits. Due to ongoing investment in rail infrastructure, gross capital formation expenditure remains at a high level and rises sharply in 2022 as a result of the acquisition of a strategic gas reserve[9] for 3.8 bn Euro. Starting in 2022, additional costs are incurred for displaced persons from Ukraine. Finally, there are sharp increases in capital transfers due to the investment premium.

[9] According to ESA 2010, the strategic gas reserve is recorded under gross capital formation (P.5) as a change in inventories (P.52) and not as gross fixed capital formation (P.51g). It is therefore included in Table 9 under 'Other'.

3.3 Development of public budgets 2023

The 2023 general government budget is set against the backdrop of a massive economic slowdown with a stagnating real growth rate of 0.2 %. These growth losses are due to very high domestic energy prices, especially in the manufacturing sector, but also to the dampened economic outlook for Austria's trading partners. In budgetary terms, the indexation of income tax brackets is beginning to take effect on the revenue side. On the expenditure side, measures to ensure an affordable electricity supply continue to be implemented, both for private households and for companies. Overall, the budget balance in 2023 improves compared with 2022 and remains below the -3.0 % mark, but there is a significant deterioration compared with the forecast in the stability program in spring 2022.

Net lending/borrowing

According to current budget planning, the general government Maastricht balance in 2023 will amount to -13.9 bn Euro or -2.9 % of GDP. The forecast made in the stability program of April 2022 has thus been revised significantly downward, by 1.4 pp of GDP. Compared with 2022, however, this is still a significant improvement of 2.1 bn Euro or 0.6 pp of GDP.

Structural balance

The pronounced decline in GDP growth to a forecast of 0.2 % in 2023 closes the positive output gap. Thus, the structural balance almost equals the Maastricht balance, specifically -2.9 % of GDP. In connection with the extraordinary geopolitical uncertainty, the general escape clause remains activated in 2023.

Public debt

The decline in the debt ratio, which already began in 2021, will continue in 2023. The continued high nominal GDP growth of 6.0 % continues to cause the debt ratio to decline despite an increase in the absolute debt level. Specifically, the debt ratio is expected to decline from 78.3 % of GDP in 2022 to 76.7 % of GDP in 2023. In absolute terms, however, the debt level will increase from 353.2 bn Euro to 366.9 bn Euro.

Revenues

Compared with 2022, general government revenue growth is still expected to be high at 6.3 %. This very good development is attributable to stable private consumption, as well as higher wage settlements due to inflation and the stable situation on the labour market in 2023. In addition, extraordinary dividend income from the energy sector is expected for the public budget.

- Taxes on production and imports, especially sales tax revenues, continue to perform well on the back of nominal private consumption supported by higher wage settlements and government relief measures.
- Social security contribution revenues show a dynamic development due to wage settlements and stable employment.
- Taxes on income and wealth also perform comparatively well with a growth of 3.8 %, dampened by the price increase tax credit and the abolition of bracket creep.
- Additional property income, for example a special dividend from Verbund AG, will strengthen revenue development in 2023.
- Revenues from state-owned enterprises continue to make a solid contribution to revenue growth.

Expenditures

Government spending in 2023 picks up momentum again compared with 2022, growing by 5.0 % to reach a value of 247.8 bn euro. The reasons for this are the delayed effects of inflation on the expenditure side and a change in the dynamics of interest expenditure, plus further energy relief measures and existing measures from the 2021 economic stimulus package. COVID-19 spending, on the other hand, declines significantly:

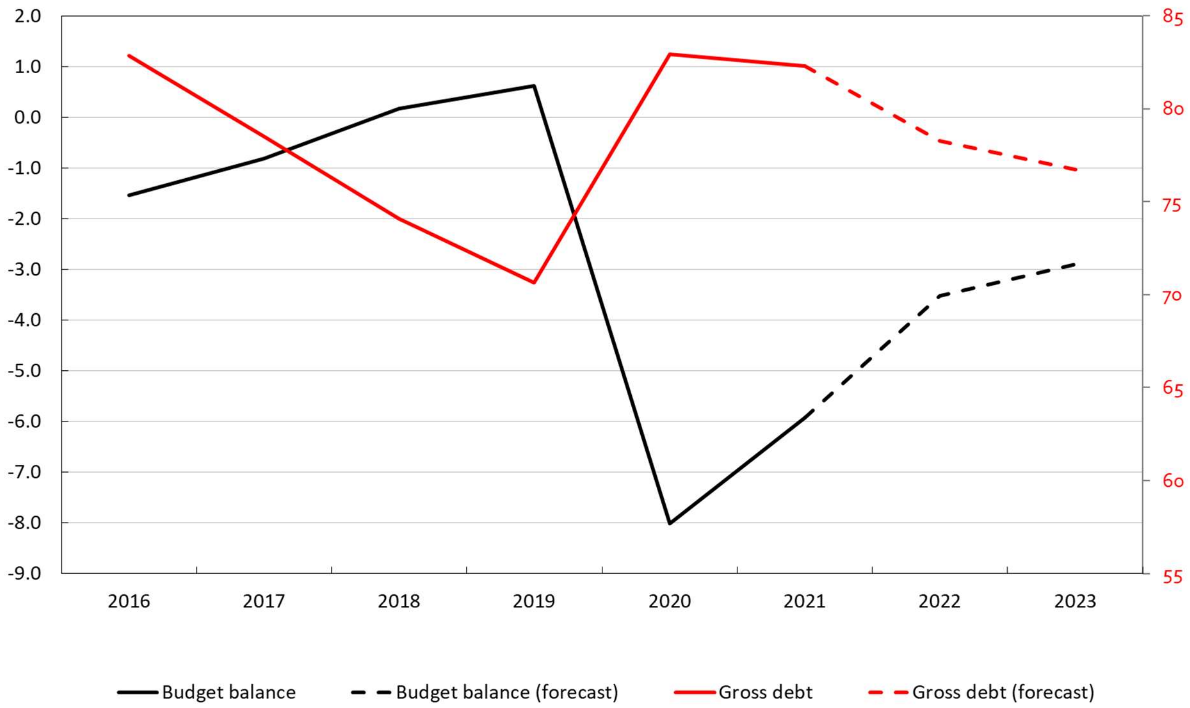
- Compensation of public sector employees and monetary social benefits (including pensions) are rising stronger on the back of previous inflation rates.
- Interest expenditure, which has been falling steadily in absolute terms since 2012, is changing its dynamics and will show double-digit growth rates from 2023 onward, which is related to the ECB's interest rate increases, higher risk premiums and also an increase in absolute debt levels following the COVID-19 crisis. Despite good nominal economic growth, this will lead to steadily rising interest expenditure (as a % of GDP) from now on and thus generate a certain expenditure growth pressure.
- An increase in spending on the investment premium adopted in the 2021 economic stimulus package in 2023, will lead to comparatively high spending on capital transfers.

The measures from the energy relief packages are also reflected in the development of the ESA transaction categories, which include:

- Expenditure on subsidies shows a renewed increase due to the introduction of an electricity cost subsidy, which caps electricity prices for households and leads to budgetary effects of 2.7 bn Euro. For businesses, the energy cost subsidy is continued at 0.85 bn Euro.
- Direct payments for pensioners are disbursed as monetary transfers.

- Investments in the transformation of the economy lead to a significant increase in capital transfers.

Figure 8: General government net lending/net borrowing and gross debt



Left axis: General government net lending/net borrowing (as % of GDP)
Right axis: Gross debt (as % of GDP)
Sources: BMF, STAT, WIFO

3.4 Macroeconomic and budgetary forecasts in accordance with EU requirements

Council Directive 2011/85/EU on the requirements for Member States' budgetary frameworks stipulates that macroeconomic forecasts and budgetary projections must be compared with the most recent forecasts of the EC and, where appropriate, with the forecasts of other independent institutions. Table 22 in the Annex presents this comparison.

In addition, macroeconomic forecasts and budget projections must be regularly subjected to an unbiased evaluation based on objective criteria and including an ex-post assessment. Such an evaluation was last prepared in December 2021 by the Fiscal Council Office on behalf of the

Fiscal Council for the period 2005 to 2020. This study was published on the homepage of the Fiscal Council.[10] The next evaluation is scheduled for autumn 2024.

[10] https://fiskalrat.at/publikationen/berichte/studien-im-auftrag-des-fiskalrates-uebersicht.html

4 Comprehensive fiscal rules

One of the key elements to safeguard the pace of fiscal consolidation is the Austrian Internal Stability Pact, stipulating multiple fiscal rules for all levels of government (Public Law Gazette I No. 30/2013). The agreement covers the following key issues:

- Rule on a structurally balanced general government budget ("debt brake"), with the structurally balanced budget defined as a structural general government deficit not below -0.45 % of GDP
- Rule on the allowed annual expenditure growth (expenditure brake)
- Rule on public debt reduction as defined in ESA terms (adjustment of the debt ratio)
- Rule on ceilings for public guarantees, whose implementation was harmonised in the course of the negotiations on intergovernmental fiscal relations in 2017. From 2019, the maximum amount of guarantees by the Central Government and the states is limited to 175 % of the revenues of the entity, while for municipalities it is limited to 75 % of revenues
- Rules to strengthen budgetary coordination and medium-term budgetary planning of all governments, mutual exchange of information and transparency

Compliance with the fiscal rules is ensured by adequate sanctions.

The Federal Government is committed to the economic policy goal of a balanced federal budget, depending on economic developments and requirements. The Federal Government thereby combines fiscal stability and responsibility towards future generations. With its budget policy, the Federal Government pursues economic, ecological and social goals. European and international obligations, in particular the Paris Agreement, also serve as the basis for action.

The COVID-19-pandemic has impacts on the European Stability and Growth Pact and in further consequence on the Austrian Stability Pact 2012 (ASP 2012): according to article 11 ASP, exemptions approved by the European Union are to be analogously applicable to the ASP 2012.

The Austrian Fiscal Advisory Council was legally entrusted to monitor compliance with the European fiscal rules in Austria. It monitors the budget targets in accordance with guidelines, makes recommendations and, if necessary, points out adjustment paths. The Federal

Government, the social partners, the Intergovernmental Fiscal Relations Partners, the Austrian National Bank and the budget service of the National Council appoint members to the council who are adequately skilled and autonomous. With respect to fiscal surveillance, the Austrian Fiscal Advisory Council plays an essential role in strengthening budgetary discipline in the Federal Government, in the federal states and in the municipalities.

5 Annex

Table 1: Basic assumptions

	2021	2022	2023
Short-term interest rate (annual average)	-0.5	0.3	3.9
Long-term interest rate (annual average)	-0.1	1.7	4.1
USD/EUR exchange rate (annual average)	1.2	1.1	1.0
Nominal effective exchange rate	0.6	-1.8	0.6
Real GDP growth (World excluding EU)	6.2	2.8	1.9
Real GDP growth (EU)	5.3	3.3	0.5
Growth of relevant Austrian foreign markets	11.1	4.0	0.4
Import volumes (World excluding EU)			
Oil prices (Brent, USD/barrel)	71	99	83

Positions may not sum up due to rounding errors.

Source: WIFO

Table 2: Macroeconomic prospects

	ESA Code	2021 in bn €	2021 rate of change	2022 rate of change	2023 rate of change
1. Real GDP	B1*g	365.2	4.6	4.8	0.2
2. Potential GDP		372.2	1.1	1.6	1.4
3. Nominal GDP	B1*g	406.1	6.6	11.1	6.0
			Components of real GDP		
4. Private final consumption expenditure	P.3	181.8	3.6	3.8	1.0
5. Government final consumption expenditure	P.3	76.9	7.8	-1.5	-3.5
6. Gross fixed capital formation	P.51g	95.4	8.7	-0.5	0.8
7. Changes in inventories and net acquisition of valuables (in % of nominal GDP)	P.52 + P.53		1.3	2.7	3.1
8. Exports of goods and services	P.6	211.5	9.6	9.4	0.9
9. Imports of goods and services	P.7	205.9	13.7	6.0	0.9
			Contributions to real GDP growth		
10. Final domestic demand			5.6	1.4	0.0
11. Changes in inventories[1)]	P.52 + P.53		0.7	1.4	0.2
12. External balance of goods and services	B.11		-1.7	1.9	0.0

1) incl. statistical discrepancy

Positions may not sum up due to rounding errors.

Sources: BMF, STAT, WIFO

Table 3: Price developments

	2021 rate of change	2022 rate of change	2023 rate of change
1. GDP deflator	1.9	6.0	5.7
2. Private consumption deflator	2.3	8.3	6.5
3. CPI	2.8	8.3	6.5
4. Public consumption deflator	1.8	4.5	5.8
5. Investment deflator	3.8	8.7	5.0
6. Export price deflator (goods and services)	5.3	6.1	3.2
7. Import price deflator (goods and services)	6.7	9.0	3.7

Positions may not sum up due to rounding errors.

Sources: BMF, STAT, WIFO

Table 4: Labour market developments

	ESA Code	2021 Level	2021	2022	2023
			rate of change		
1. Employment, persons		4,234,866	2.3	2.5	0.5
2. Employment, hours worked (in m)		7,031.8	4.8	4.5	-0.1
3. Unemployment rate, EUROSTAT definition		283,700	6.2	4.6	4.7
4. Labour productivity, persons		86,226.2	2.2	2.2	-0.3
5. Labour productivity, hours worked		51.9	-0.2	0.3	0.3
6. Compensation of employees (in m Euro)	D.1	201,362.3	4.7	6.6	7.4
7. Compensation per employee		47,548.7	2.3	4.0	6.9

Positions may not sum up due to rounding errors.

Sources: BMF, EUROSTAT, STAT, WIFO

Table 5: Sectoral balances

	ESA Code	2021	2022	2023
		in % of GDP		
1. Net lending/borrowing vis-à-vis the rest of the world	B.9	0.4	0.8	-0.1
2. Net lending/borrowing of the private sector	B.9	6.3	4.3	2.8
3. Net lending/borrowing of the general government	B.9	-5.9	-3.5	-2.9
4. Statistical discrepancy		0.1	0.1	0.0

Positions may not sum up due to rounding errors.

Sources: BMF, STAT, WIFO

Table 6: Budgetary targets

	ESA Code	2021	2022	2023
		in % of GDP		
		Net lending/net borrowing by sub-sector		
1. General government	S.13	-5.9	-3.5	-2.9
2. Central government	S.1311	-5.4	-3.8	-3.1
3. State governments (excl. Vienna)	S.1312	-0.5	0.2	0.1
4. Local governments (incl. Vienna)	S.1313	-0.1	0.0	0.0
5. Social security funds	S.1314	0.0	0.1	0.1
6. Interest expenditure	D.41	1.1	1.0	1.2
7. Primary balance		-4.8	-2.5	-1.7
8. One-off and other temporary measures		0.0	0.0	0.0
9. Real GDP growth		4.6	4.8	0.2
10. Potential GDP growth		1.1	1.6	1.4
11. Output gap		-1.9	1.2	0.0
12. Cyclical budgetary component		-1.1	0.7	0.0
13. Cyclically-adjusted balance		-4.8	-4.2	-2.9
14. Cyclically-adjusted primary balance		-3.7	-3.3	-1.7
15. Structural balance		-4.8	-4.2	-2.9

Positions may not sum up due to rounding errors.

Sources: BMF, STAT, WIFO

Table 7: General government debt developments

	ESA Code	2021	2022	2023
		in % of GDP		
1. Gross debt		82.3	78.3	76.7
2. Change in gross debt ratio (in percentage points)		-0.6	-4.0	-1.6
		Contributions to changes in gross debt		
3. Primary balance		-4.8	-2.5	-1.7
4. Interest expenditure	D.41	1.1	1.0	1.2
5. Stock-flow adjustment		-1.5	0.7	0.0
p.m.: Implicit interest rate on debt		1.3	1.3	1.5

Positions may not sum up due to rounding errors.

Source: BMF

Table 8: Contingent liabilities

	2021	2022	2023
			in % of GDP
Public guarantees	18.9	16.5	15.9
of which: Central government[1)]	12.8	11.3	11.2
of which: linked to the financial sector[2)]	0.1	0.1	0.1
of which: State and Local governments	6.1	5.1	4.7
of which: linked to the financial sector[2)]	1.8	1.4	1.3

1) Guarantees for exports without double count of funding guarantees.

Without liabilities for EFSF as well as without liabilities for euro coins towards Austrian Mint. SURE and EGF included as of 2020.

According to ESA 2010 liabilities for SchiG, ÖBB according to BFG as well as those of ÖBB Infrastruktur AG and ÖBB Personenverkehr AG according to EurofimaG are included in the public sector and will here not be included in order to avoid double count.

Forecasts are based mainly on statistical values resulting from percentage change in history and are not based on political decisions.

2) Without double count of liabilities for KA Finanz AG, HETA, immigion and Kärtner Ausgleichszahlungsfonds or bank deposit insurance.

Positions may not sum up due to rounding errors.

Sources: BMF, State governments, STAT, WIFO

Table 9: Budgetary prospects

	ESA Code	2021	2022	2023
				in % of GDP
				General government
1. Total revenue	TR	50.0	48.8	48.9
1.1. Taxes on production and imports	D.2	13.9	13.5	**13.6**
1.2. Current taxes on income, wealth etc.	D.5	13.9	13.9	13.7
1.3. Capital taxes	D.91	0.0	0.0	0.0
1.4. Social contributions	D.61	15.8	15.1	15.3
1.5. Property income	D.4	0.7	0.7	0.8
1.6. Other		5.7	5.6	5.5
p.m.: Tax burden		43.7	42.7	42.8
2. Total expenditure	TE	56.0	52.3	51.8
2.1. Compensation of employees	D.1	11.0	10.3	10.4
2.2. Intermediate consumption	P.2	7.5	6.9	6.5
2.3. Social payments	D.62, D.632	24.0	22.3	22.3
of which: Unemployment benefits		1.6	1.0	1.0
2.4. Interest expenditure	D.41	1.1	1.0	1.2
2.5. Subsidies	D.3	4.6	2.5	2.7
2.6. Gross fixed capital formation	P.51g	3.5	3.3	3.5
2.7. Capital transfers	D.9	0.7	1.0	1.4
2.8. Other		3.6	5.0	3.8

Positions may not sum up due to rounding errors.

Source: BMF

Table 10: Budgetary prospects ("no-policy change"-assumption)

	ESA Code	2021	2022	2023
		in % of GDP		
		General government		
1. Total revenue	TR	50.0	48.9	49.6
1.1. Taxes on production and imports	D.2	13.9	13.6	13.6
1.2. Current taxes on income, wealth etc.	D.5	13.9	14.0	14.3
1.3. Capital taxes	D.91	0.0	0.0	0.0
1.4. Social contributions	D.61	15.8	15.1	15.4
1.5. Property income	D.4	0.7	0.7	0.8
1.6. Other		5.7	5.6	5.5
p.m.: Tax burden		43.7	42.8	43.4
2. Total expenditure	TE	56.0	50.7	50.7
2.1. Compensation of employees	D.1	11.0	10.3	10.3
2.2. Intermediate consumption	P.2	7.5	6.8	6.5
2.3. Social payments	D.62, D.632	24.0	22.3	22.1
of which: Unemployment benefits				
2.4. Interest expenditure	D.41	1.1	1.0	1.2
2.5. Subsidies	D.3	4.6	2.1	2.4
2.6. Gross fixed capital formation	P.51g	3.5	3.3	3.3
2.7. Capital transfers	D.9	0.7	1.1	1.2
2.8. Other		3.6	3.9	3.6

Positions may not sum up due to rounding errors.

Source: BMF

Table 11: Amounts to be excluded from the expenditure benchmark

	2021	2021	2022	2023
	in bn €		in % of GDP	
1. Expenditure on EU programmes fully matched by EU funds revenue	0.7	0.2	0.3	0.3
of which investments fully matched by EU funds revenue	0.4	0.1	0.1	0.1
2. Cyclical unemployment benefit expenditure at unchanged policies	0.9	0.2	-0.2	-0.1
3. Effects of discretionary revenue measures	-1.9	-0.5	-0.4	-0.8
4. Revenue increases mandated by law	0.0	0.0	0.0	0.0

Positions may not sum up due to rounding errors.

Cyclical expenditure defined as actual expenditure (COFOG 10.5) minus expenditure for NAWRU-unemployed.

Discretionary revenue measures are presented as incremental changes.

Sources: BMF, STAT, WIFO

Table 12: Divergence from the latest Stability Programme (April 2022)

	ESA Code	2021	2022	2023
			in % of GDP	
General government net lending/net borrowing	B.9			
SP April 2022		-5.9	-3.1	-1.5
DBP October 2022		-5.9	-3.5	-2.9
Difference		*0.0*	*-0.4*	*-1.4*
General government net lending/net borrowing ("No-policy change"-assumption)				
SP April 2022		-5.9	-1.5	-1.2
DBP October 2022		-5.9	-1.8	-1.1
Difference		*0.0*	*-0.3*	*0.1*
Gross debt				
SP April 2022		82.8	80.0	77.1
DBP October 2022		82.3	78.3	76.7
Difference		*-0.5*	*-1.7*	*-0.4*
Gross debt ("No-policy change"-assumption)				
SP April 2022		82.8	78.3	75.3
DBP October 2022		82.3	76.5	73.3
Difference		*-0.5*	*-1.8*	*-2.0*
Structural balance	B.9			
SP April 2022		-4.6	-3.0	-1.7
DBP October 2022		-4.8	-4.2	-2.9
Difference		*-0.2*	*-1.2*	*-1.3*

Positions may not sum up due to rounding errors.

Sources: BMF, STAT, WIFO

Table 13: Quarterly budgetary execution in 2022 in accordance with ESA standards (in million Euro)

	ESA Code	Q1	Q2
1. Net lending/net borrowing	S.13	-9,829	-4,046
2. Total revenue	TR	43,553	50,996
3. Total expenditure	TE	53,382	55,042

Positions may not sum up due to rounding errors.

Source: STAT

Table 14: County specific recommendations

See: European semester – documents under https://www.bundeskanzleramt.gv.at/agenda/europapolitik/europaeisches_semester.html

Table 15: Discretionary measures excluding COVID-19 measures (in million Euro)

Measures[1]	ESA Code	2020	2021	2022	2023
Structural measures				**50**	**4,723**
Bracket creep abolition	D.5 (revenues)				1,480
Indexation child tax credit	D.5 Revenues (D.3)				80
Reduction of contributions to Family Burden Transfer Fund	D.5 (revenues)				353
Reduction of accident insurance contributions	D.61 (revenues)				130
Increase of tax exemption limit for famers	D.5 (revenues)				10
Indexation (family allowance, childcare benefit, rehab & retaining money, study allowance, etc.)	D.62				283
Green Transition	D.9				863
Military affairs[2]	P.5				680
Long-term care reform	D.7			50	845
Energy relief packages				**6,522**	**6,461**
One-off payments for vulnerable groups	D.62			432	
One-off payments for families	D.62			330	
One-off payments for pensioners, self-employed	D.62			440	80
Energy cost compensation	D.3			600	
Reduction energy tax (Electricity tax, natural gas tax by: approx. 90 %)	D.2, Energy tax			600	500
Commuters relief (Lump sum commuters +50 %, commuter Euro x4, negative taxpayers one-off payment)	D.5 Revenues (D.3)			120	220
Tax and duty free cost of living bonus	D.5 (revenues)			300	300
Price increase tax credit	D.5				1,000
Earlier start of increase of Family Bonus and "Additional child allowance"	D.5			100	250
Cost compensation agricultural diesel	D.2, mineral oil tax				27
Climate bonus (incr. to 250 Euros) & anti-inflation bonus (250 Euros)	D.7			2800	
Electricity price subsidy (for households)	D.3				2,733
Energy cost subsidy (for enterprises)	D.3			450	850
Electricity price compensation (for enterprises)	D.3				233
Security of agricultural supply	D.3			110	
Public transport (expanding regional services, indexations, climate ticket)	several			150	153
Energy independence: investments in wind power and photovoltaic	D.9			30	55
Promoting decarbonisation of firms' vehicle fleets	D.3			60	60
Strategic gas reserve	P.52			**3,800**	
Ukrainian refugees[3]	D.63/D.7/D.1			**550**	**550**
Foreign disaster fund (additional funds)	D.7			**50**	**20**
Social measures				**73**	**241**
Measures for people with disabilities	D.7			73	136
Elementary education (increase to 2022)	D.1				105
Economic measures		**286**	**958**	**1,422**	**2,704**
Municipal Investment Act (2020, 2023)	P.5	261	559	100	549
Investment premium[4]	D.9	25	399	1,322	2,155
Total		**286**	**958**	**12,467**	**14,700**
in % of GDP		0.1	0.2	2.8	3.1

Positions may not sum up due to rounding errors.

1) Excluding measures financed by RRF, except Investment premium. Table includes only federally funded measures.

2) Accrual adjustment not yet definite.

3) Approximately 55.000 displaced persons (basic supply according to prevailing per diem)

4) Including RRF

Source: BMF

Table 16: COVID-19 measures (in million Euro)

Measures[1)]	ESA Code	2020	2021	2022	2023
		Budgetary impact			
Selected COVID measures					
COFAG (fixed-cost subsidy, turnover substitute, guarantees, ...)[2)]	D.3 (D.9)	6,242	9,092	1,200	284
Short-time work scheme[2)]	D.3	6,059	3,136	963	200
Season starting aid (seasonal worker short-time work scheme)[2)]	D.3			90	
NPO support fund[2)]	D.7	240	413	375	
Medical equipment, masks, tests	P.2	350	529	269	200
Special Purpose Grants Act (1450, protective equipment, health infrastructure)	P.2	363	1244	791	200
Vaccination procurement (incl. medicine)[2)]	P.2	22	480	1000	300
Test strategy tourism, testing in companies	P.2/D.3	44	180	62	
Epidemic Law[2)]	P.2/D.3	116	1,100	1,000	400
Hardship fund[2)]	D.62	896	1,338	200	
Transfers to Social Security Funds (vaccination and test staff)[2)]	D.63	93	1,135	650	300
Total		**14,425**	**18,647**	**6,599**	**1,884**
in % of GDP		**4.0**	**4.6**	**1.7**	**0.6**

1) Excluding measures financed by RRF. Table includes only federally funded measures.

2) ESA values may differ from administrative values due to time adjustments.

Source: BMF

Table 17: Guarantees under COVID-19 (in million Euro)

	Liability framework	Assumed liabilities[1)]
aws SME Promotion Act (aws KMU-FG)	3,750	2,669
aws Guarantee Act 1977 (aws GG)	2,000	367
ÖHT SME Promotion Act (ÖHT KMU-FG)[2)]	1,625	969
ÖHT Authorized to perform travel services[3)]	300	27
OeKB Special Framework KRR (Kontrollbank Refinancing Framework)	3,000	709
OeKB 90 %		474
Total guarantees under COVID-19	**10,675**	**5,214**

1) Outstanding liabilities as of 30 September 2022. The liability amount of the aws and ÖHT KMU-FG liabilities include both liabilities under the COVID-19 framework in accordance with § 7(2a) KMU-FG and liabilities in accordance with § 7(2) KMU-FG. Budgetary effects which result from guarantee write-offs are reported in table 16.

2) Preliminary data

3) Data as of 30 June 2022

Processing agencies: aws - Austria Wirtschaftsservice GmbH, ÖHT - Österreichische Hotel- und Tourismusbank GmbH, OeKB - Österreichische Kontrollbank AG

Source: BMF

Table 18: Revenue from RRF grants (in million Euro)

	2020	2021	2022	2023
RRF GRANTS as included in the revenue projections		418.1	929.7	1,122.4
Cash disbursements of RRF GRANTS from EU		450.0	700.0	750.0

RRF grants in 2021 include grants for 2020. Positions may not sum up due to rounding errors.

Source: BMF

Table 19: Expenditure financed by RRF grants (in million Euro)

	ESA Code	2020	2021	2022	2023
Compensation of employees	D.1		53.0	46.7	15.8
Intermediate consumption	P.2		148.3	205.7	132.4
Social payments	D.62, D.632		0.6	30.0	32.0
Interest expenditure	D.41				
Subsidies, payable	D.3	6.7	3.1	125.0	184.0
Current transfers	D.7			27.5	32.5
Total current expenditure		**6.7**	**204.9**	**434.8**	**396.7**
Gross fixed capital formation	P.51g	78.8	96.0	151.1	171.4
Capital transfers	D.9		31.8	443.7	654.2
Total capital expenditure		**78.8**	**127.8**	**594.9**	**825.7**
RRF co-financed expenditure		**85.5**	**332.7**	**1,029.7**	**1,222.4**

2020, 2021: Budget execution.

Source: BMF

Table 20: Effects of the RRF programmes on budget planning (in million Euro)

	2020	2021	2022	2023
Compensation of employees		**53.0**	**46.7**	**15.8**
Community nursing			18.3	15.8
Elementary education			28.4	
Additional teaching lessons		53.0		
Intermediate consumption		**148.3**	**205.7**	**132.4**
Electronic platform for mother child passport			0.5	3.0
Digitalisation of cultural objects			3.7	4.4
Digital end devices for pupils		51.2	35.3	48.5
(Digital) Research infrastructures				10.0
Digitalisation fund for public administration		6.8	80.0	
Reskilling and upskilling		90.3	86.2	66.5
Social payments		**0.6**	**30.0**	**32.0**
Primary Health Centres		0.6	25.0	25.0
„Early support“-measure for socially disadvantaged			5.0	7.0
Subsidies, payable	**6.7**	**3.1**	**125.0**	**184.0**
Circular economy package			100.0	110.0
IPCEI Microelectronic		0.0	10.0	34.5
IPCEI Hydrogen		0.1	10.0	34.5
Digitalisation of SMEs (KMU.Digital and KMU.E-Commerce)	6.7	3.0	5.0	5.0
Current transfers			**27.5**	**32.5**
Biodiversity fund			25.0	25.0
Investment fund climate-friendly culture sites			2.5	7.5
TOTAL CURRENT EXPENDITURE	**6.7**	**204.9**	**434.8**	**396.7**
Gross fixed capital formation	**78.8**	**96.0**	**151.1**	**171.4**
Renovation of Volkskundemuseum Wien and Prater Atelier			5.2	5.4
Austrian Institute of Precision Medicine			5.0	10.0
Quantum Austria			21.0	21.0
Construction of new railway lines and electrification of regional railways	78.8	96.0	119.9	135.1
Capital transfers		**31.8**	**443.7**	**654.2**
Emission free buses			51.2	51.2
Funding of emission free vehicles and infrastructure			50.0	
Investments to tackle energy poverty: oil boiler replacement			10.0	15.0
Industrial transformation towards climate neutrality			30.0	70.0
Investments into climate-fit town centres			11.3	16.8
Broadband			52.0	104.0
Investment premium RRF			207.5	365.5
Replacement of oil and gas heaters		31.8	31.8	31.8
TOTAL CAPITAL EXPENDITURE	**78.8**	**127.8**	**594.9**	**825.7**
TOTAL RRF FINANCED EXPENDITURE	**85.5**	**332.7**	**1,029.7**	**1,222.4**

2020, 2021: Budget execution

Source: BMF

Table 21: Overview of the milestone achievement in the national recovery and resilience plan until Q3/2022

Milestone/target reference	Measure name	Milestone/target name	Target date for implementation	Status
AT-C[C1]-I[1B5]-M[21]	1.B.5 Construction of new railways and electrification of regional railways	Ongoing construction project	2020-03-31	Completed
AT-C[C4]-R[4D2]-M[152]	4.D.2 Increase in effective retirement age	Establishment of the legal basis for the abolishment of the early retirement pension without deduction, as well as for the introduction of the early starter bonus and the postponement of the first pension increase (Aliquotierung)	2020-12-31	Completed
AT-C[C3]-R[3B1]-M[84]	3.B.1 Education bonus	Entry into force of the Unemployment Insurance Act and the publication of the Funding Guidelines on the Ministries' website	2020-12-31	Completed
AT-C[C3]-R[3B1]-M[87]	3.B.1 Education bonus	Ensuring the preconditions for re- and upskilling	2020-12-31	Completed
AT-C[C2]-I[2D1]-M[63]	2.D.1 Digitalisation of SMEs	Approval and publication of the relevant guidelines and contracts for KMU.E-Commerce	2021-03-31	Completed
AT-C[C2]-R[2B1]-M[49]	2.B.1 Fair and equal access of pupils to basic digital competence	Entry into force of the School Digitalisation Act	2021-03-31	Completed
AT-C[C1]-I[1B4]-M[17]	1.B.4 Zero-emission utility vehicles	Launch of the support programme	2021-03-31	Completed
AT-C[C2]-I[2D1]-M[62]	2.D.1 Digitalisation of SMEs	Approval and publication of the relevant guidelines and contracts for KMU.DIGITAL 3.0	2021-03-31	Completed
AT-C[C4]-R[4D11]-M[169]	4.D.11 Liberalisation of business regulations	Entry into force of the occasional transport act	2021-03-31	Completed
AT-C[C4]-R[4D11]-M[170]	4.D.11 Liberalisation of business regulations	Exemption of recharging points for electric motor vehicles and photovoltaic systems in commercial installations from authorisation requirements.	2021-03-31	Completed

AT-C[C2]-I[2B2]-M[52]	2.B.2 Provision of digital end-user devices to pupils	Award decision on tender regarding digital end devices	2021-06-30	Completed
AT-C[C3]-I[3C2]-M[92]	3.C.2 Remedial education package	Finalisation of the remedial education package and start with the measures in the schools	2021-06-30	Completed
AT-C[C2]-I[2C2]-M[59]	2.C.2 Digitalisation fund public administration	Entry into force of the Digitalisation Fund Act	2021-06-30	Completed
AT-C[C4]-R[4D5]-M[158]	4.D.5 Eco-social tax reform	Launch of the second stage of the work of the task force	2021-06-30	Completed
AT-C[C2]-I[2D3]-M[68]	2.D.3 Green investments in enterprises	Entry into force of the amendment to the Investment Premium Act to reflect the budget increase as a result of the RRP	2021-06-30	Completed
AT-C[C2]-I[2D2]-M[65]	2.D.2 Digital investment in enterprises	Entry into force of the amendment to the Investment Premium Act to reflect the budget increase as a result of the RRP	2021-06-30	Completed
AT-C[C4]-R[4B2]-M[119]	4.B.2 Reform to further develop care provision	Pilot projects on community nurses as element of the Reform of care provision,	2021-09-30	Completed
AT-C[C4]-R[4D10]-M[167]	4.D.10 Labour market: one-stop shop	Conceptual development	2021-09-30	Completed
AT-C[C3]-I[3D2]-M[101]	3.D.2 IPCEI Hydrogen	National selection of projects to support the development of hydrogen production, storage and applications	2021-09-30	Completed
AT-C[C2]-R[2B1]-M[50]	2.B.1 Fair and equal access of pupils to basic digital competence	Entry into force of the Implementing regulation	2021-09-30	Completed
AT-C[C2]-R[2C1]-M[56]	2.C.1 Proposed legislation for Once Only. Amendment of the Business Service Portal Act	Entry into force of the law amending the Business Service Portal Act; upgrade of the relevant IT infrastructure.	2021-09-30	Completed
AT-C[C1]-R[1B2]-M[11]	1.B.2 Introduction of 1-2-3 climate ticket	Entry into force of law	2021-09-30	Completed
AT-C[C1]-I[1D2]-M[41]	1.D.2 Transforming industry towards climate neutrality	Adoption of regulatory criteria and funding guidelines	2021-09-30	Completed
AT-C[C4]-I[4B3]-M[122]	4.B.3 Investment in climate-friendly town centres	Adoption of the funding guidelines for the four areas of intervention	2021-09-30	Completed
AT-C[C4]-R[4C1]-M[134]	4.C.1 Development of a building culture programme	Fourth Building Culture report	2021-09-30	Completed

AT-C[C4]-R[4D7]-M[162]	4.D.7 National Financial Education Strategy	Strategy document	2021-09-30	Completed
AT-C[C4]-R[4D9]-M[165]	4.D.9 Strengthening equity capital	Decree on the conversion of state guaranteed loans into equity	2021-09-30	Completed
AT-C[C4]-I[4B4]-T[131]	4.B.4 Investment in the implementation of community nurses	Start of community nurses work	2021-09-30	Completed
AT-C[C3]-I[3D1]-M[98]	3.D.1 IPCEI Microelectronics and Connectivity	National selection of projects to support the development of innovative microelectronics and connectivity technologies	2021-12-31	Completed
AT-C[C2]-I[2B2]-T[53]	2.B.2 Provision of digital end-user devices to pupils	Digital devices for the first two year of secondary school	2021-12-31	Not yet completed
AT-C[C1]-I[1A2]-T[3]	1.A.2 Promoting the exchange of oil and gas heating systems	Replacement of heating systems	2021-12-31	Completed
AT-C[C4]-I[4C3]-M[137]	4.C.3 Renovation Volkskundemuseum Wien and Prater Ateliers	Feasibility studies for the Volkskundemuseum Wien and Prater Ateliers	2021-12-31	Completed
AT-C[C4]-I[4C5]-M[143]	4.C.5 Investment fund for climate-friendly cultural businesses	Entry into force of the funding guidelines establishing the investment fund	2021-12-31	Completed
AT-C[C4]-I[4A2]-M[107]	4.A.2 Funding of primary health care projects	Adoption and publication of funding guidelines for primary health care projects	2021-12-31	Completed
AT-C[C3]-R[3B1]-T[85]	3.B.1 Education bonus	Education bonuses disbursed	2021-12-31	Completed
AT-C[C3]-I[3C2]-M[93]	3.C.2 Remedial education package	Support measures during the school year are completed. Provision of supplementary classes including during the holidays	2021-12-31	Completed
AT-C[C3]-I[3A2]-M[75]	3.A.2 Quantum Austria — Promotion of Quantum Sciences	Call for expressions of interest (BMBWF); Identification of an executing agency	2021-12-31	Completed
AT-C[C3]-I[3D1]-M[97]	3.D.1 IPCEI Microelectronics and Connectivity	Climate-related eligibility criteria established in call documents	2021-12-31	Completed
AT-C[C2]-R[2A1]-M[44]	2.A.1 Set-up of Platform Internet-infrastructure Austria (PIA) 2030	Work programme of Platform Internet-infrastructure Austria (PIA 2030) to coordinate the interaction of all relevant stakeholders	2021-12-31	Completed

AT-C[C1]-R[1B2]-M[12]	1.B.2 Introduction of 1-2-3 climate ticket	Introduction of 1-2-3 climate ticket	2021-12-31	Completed
AT-C[C1]-R[1C1]-M[24]	1.C.1 Legal framework for increasing collection rates for beverage packaging and the supply of reusable beverage containers in retail	Entry into force of the amended Waste Management Act	2021-12-31	Completed
AT-C[C1]-R[1D1]-M[38]	1.D.1 Renewable Expansion Law	Entry into force of the Renewables Expansion Law	2021-12-31	Completed
AT-C[C4]-R[4B1]-M[117]	4.B.1 Soil protection strategy	Adoption of a road map for the Austrian soil protection strategy	2021-12-31	Completed
AT-C[C4]-R[4D4]-M[156]	4.D.4 Climate action governance framework	Citizens' Climate Council (Klimarat) and focal point on green budgeting	2021-12-31	Completed
AT-C[C4]-R[4D2]-M[153]	4.D.2 Increase in effective retirement age	Effective implementation of the early starter bonus (replacing early retirement pensions without deduction) and of the postponement of the first pension increase (Aliquotierung)	2022-03-31	Completed
AT-C[C4]-R[4D5]-M[159]	4.D.5 Eco-social tax reform	Entry into force of the eco-social tax reform	2022-03-31	Completed
AT-C[C3]-R[3B1]-M[86]	3.B.1 Education bonus	Education bonus measure evaluated	2022-03-31	Completed
AT-C[C3]-I[3B2]-M[88]	3.B.2 Promoting re-skilling and up-skilling	First annual overview	2022-03-31	Completed
AT-C[C4]-R[4D10]-M[168]	4.D.10 Labour market: one-stop shop	Start of operations	2022-03-31	Completed
AT-C[C3]-I[3C2]-M[94]	3.C.2 Remedial education package	Evaluation of the additional teaching staff deployment	2022-03-31	Completed
AT-C[C4]-R[4C2]-M[135]	4.C.2 Develop a national digitalisation strategy for cultural heritage	Launch of the consultation process on a strategy for the digitisation of cultural heritage	2022-03-31	Completed
AT-C[C1]-R[1A1]-M[1]	1.A.1 Renewable Heat Act	Entry into force of Renewable Heating Law	2022-03-31	Not yet completed
AT-C[C1]-I[1A3]-M[6]	1.A.3 Combating energy poverty	Determination of funding priorities	2022-03-31	Completed
AT-C[C1]-I[1B3]-M[13]	1.B.3 Zero-emission buses	Launch of the zero-emission buses support programme	2022-03-31	Completed

AT-C[C1]-I[1C2]-M[27]	1.C.2 Biodiversity fund	Entry into force of the legal framework for Biodiversity Fund	2022-03-31	Completed
AT-C[C1]-I[1C5]-M[35]	1.C.5 Promotion of the repairing of electrical and electronic equipment (repair bonus)	Launch of the repair bonus support programme	2022-03-31	Completed
AT-C[C4]-R[4D6]-M[160]	4.D.6 Green Finance (Agenda)	Publishing the Green Finance Agenda	2022-03-31	Not yet completed
AT-C[C4]-R[4D8]-M[164]	4.D.8 Start-up package	Entry into force of the start-up package	2022-03-31	Not yet completed
AT-C[C4]-R[4D9]-M[166]	4.D.9 Strengthening equity capital	Entry into force of the company form for investments in shareholding (SICAV)	2022-03-31	Not yet completed
AT-C[C4]-R[4D11]-M[171]	4.D.11 Liberalisation of business regulations	Entry into force of the Grace Period Act	2022-03-31	Not yet completed
AT-C[C3]-I[3A3]-M[78]	3.A.3 Austrian Institute of Precision Medicine	Ministerial planning approval (BMBWF & BMF)	2022-06-30	Completed
AT-C[C4]-I[4C5]-M[144]	4.C.5 Investment fund for climate-friendly cultural businesses	First call for expressions of interest	2022-06-30	Completed
AT-C[C4]-R[4D3]-M[154]	4.D.3 Pension splitting	Legislative proposal	2022-06-30	Not yet completed
AT-C[C2]-I[2C2]-M[60]	2.C.2 Digitalisation fund public administration	Projects selected	2022-06-30	Not yet completed
AT-C[C4]-R[4D4]-M[157]	4.D.4 Climate action governance framework	Entry into force of a law introducing a mandatory climate check for new legislative proposals	2022-06-30	Not yet completed
AT-C[C4]-R[4D1]-M[146]	4.D.1 Spending review focusing on green and digital transformation	Spending Review on the analysis of the climate and energy policy support and incentive landscape.	2022-09-30	Completed
AT-C[C2]-I[2A2]-T[46]	2.A.2 Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections	Provision of broadband access to 46% of households	2022-09-30	Not yet completed

AT-C[C1]-I[1C4]-T[32]	1.C.4 Retrofitting of existing and construction of new sorting facilities	Permit applications for construction or retrofitting	2022-09-30	Completed

Source: Excerpt of the FENIX database

Table 22: Comparison of macroeconomic and budgetary forecasts

	2021	2022	2023
			Real GDP growth
WIFO	4.6	4.8	0.2
European Commission	4.8	3.7	1.5
OeNB	4.9	3.8	1.9
IHS	4.6	4.7	0.3
Austrian Fiscal Advisory Council			
			Inflation
WIFO (CPI)	2.8	8.3	6.5
European Commission (HICP)	2.8	7.4	4.4
OeNB (HICP)	2.8	7.0	4.2
IHS (HICP)	2.8	8.5	6.8
Austrian Fiscal Advisory Council			
			Unemployment rate
WIFO	6.2	4.6	4.7
European Commission	6.2	5.0	4.8
OeNB	6.2	4.5	4.4
IHS	6.2	4.7	4.9
Austrian Fiscal Advisory Council			
			General government net lending/net borrwing
BMF	-5.9	-3.5	-2.9
WIFO	-5.9	-3.5	-1.7
European Commission	-5.9	-3.1	-1.5
OeNB	-5.9	-2.6	-1.2
IHS	-5.9	-3.3	-2.7
Austrian Fiscal Advisory Council	-5.9	-2.9	-1.4
			Gross debt
BMF	82.3	78.3	76.7
WIFO	82.3	77.1	74.1
European Commission	82.8	80.0	77.5
OeNB	82.8	79.3	75.9
IHS			
Austrian Fiscal Advisory Council	82.8	79.9	76.6

A direct comparability is not possible due to diverging definitions.

Sources:

BMF, October 2022

WIFO, October 2022

European Commission, Summer 2022 (GDP and HICP); Spring 2022

OeNB, June 2022

IHS, October 2022

Austrian Fiscal Advisory Council, June 2022

Tables

Figures

Literature and sources

Public Employment Service Austria (AMS)

http://www.ams.at/

Federal Chancellery (BKA)

http://www.bundeskanzleramt.at/

Federal Ministry of Social Affairs, Health, Care and Consumer Protection (BMSGPK)

https://www.sozialministerium.at/

Federal Ministry of Finance (BMF)

https://www.bmf.gv.at/

European Commission (EC)

https://ec.europa.eu/commission/index_de

EUROSTAT

http://ec.europa.eu/eurostat

Austrian Fiscal Advisory Council

http://www.fiskalrat.at/

Institute for Advanced Studies (IHS)

http://www.ihs.ac.at/vienna/

Macrobond

http://www.macrobondfinancial.com/

Austrian National Bank (OeNB)

http://www.oenb.at/

Austrian Treasury (OeBFA)

http://www.oebfa.co.at/

Financial Market Authority (FMA)

https://www.fma.gv.at/

Austrian Institute of Economic Research (WIFO)

http://www.wifo.at/

Austrian Parliament

http://www.parlament.gv.at/PD/HP/show.psp

Austrian Court of Audit (RH)

http://www.rechnungshof.gv.at/

Statistics Austria (STAT)

http://www.statistik.at/

Federal Ministry of Finance
Johannesgasse 5, 1010 Vienna
+43 1 514 33-0
bmf.gv.at