Federal Ministry
Republic of Austria
Finance

Austrian Draft Budgetary Plan 2024

Vienna, October 2023

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 2024 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 2023.

2 Economic situation in Austria

2.1 Economic development (2022-2024)

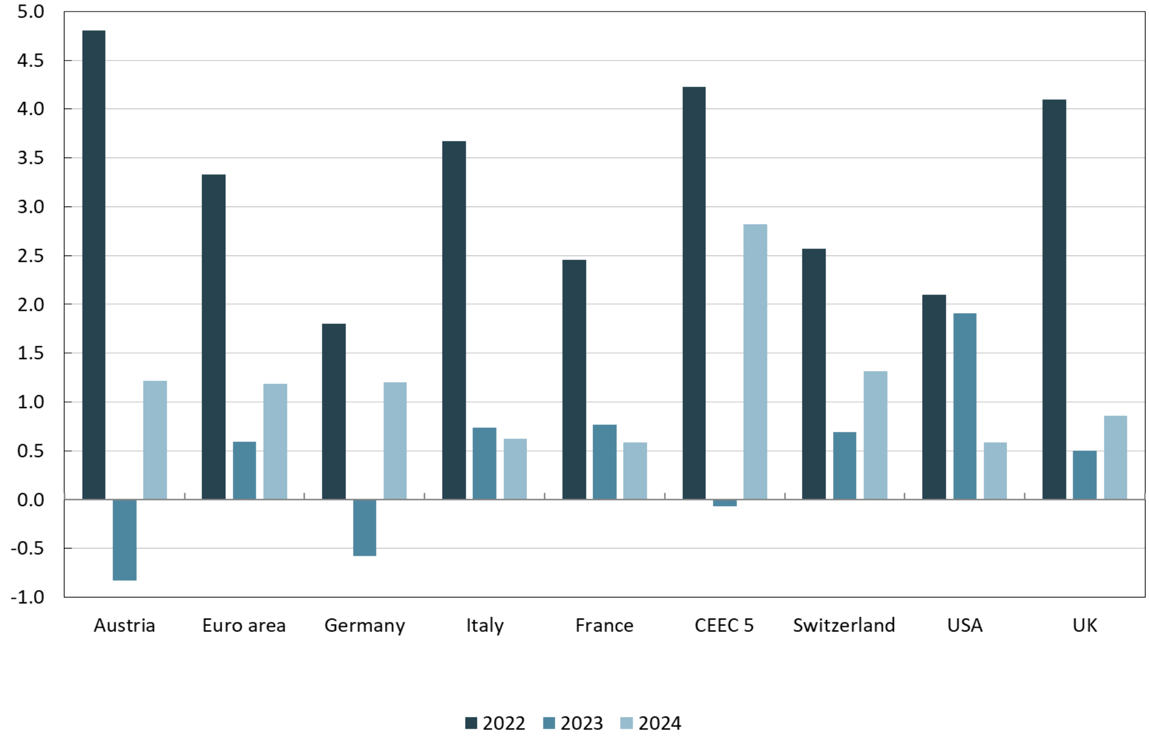
International environment

Against the backdrop of lower energy prices and the reopening of the Chinese economy, the global economy performed better than expected at the beginning of the year 2023. Growth in the United States was robust in the first half of the year. The Chinese economy is now facing headwinds from the real estate crisis and weak consumer confidence. In the euro area, economic output stagnated in the first half of the year despite the easing of supply chain disruptions and lower energy prices. Nevertheless, the labour market of the euro area has shown resilience, with the unemployment rate falling to a historic low. Inflation in the eurozone has come down from more than 10 % last autumn to 4.3 % at present.

World trade in goods declined for the third consecutive quarter in the second quarter of 2023. Global industrial production also fell in the second quarter of this year, and industrial production in the euro area has been declining for three quarters. According to the WIFO, the industrial recession in Europe is also the result of last year's energy price shocks as well as a significant reduction in inventories. The post-pandemic normalisation of consumption patterns, i.e. the shift in consumption from goods to services, may have contributed to the current industrial weakness. Furthermore, high inflation is dampening private consumption and the impact of monetary tightening is becoming increasingly visible, especially in the construction sector.

Economic sentiment has deteriorated again. The J.P. Morgan Global Manufacturing Purchasing Managers Index (PMI) has been below the growth threshold of 50 points for a year, though recently showing a slight increase to 49.1 points. The current PMI for emerging market economies is around 51 points, which is higher than the figure of 47.4 for the group of developed economies. Although the PMIs for the services sector have declined in recent months, they are still in expansionary territory in both emerging markets and advanced economies.

Figure 1: International economic environment



Left axis: Change of real GDP on the previous year in %

CEEC 5: Central and Eastern European countries (Poland, Slovakia, Slovenia, Czech Republic and Hungary)

Source: WIFO

The global economy has lost momentum and growth prospects remain sub-par. In its World Economic Outlook, the IMF projects growth rates of only 3.0 % and 2.9 % for 2023 and 2024 respectively, which would leave global economic growth almost one percentage point below its historical average. For the euro area, the WIFO forecasts growth rates of 0.6 % and 1.2 % for 2023 and 2024, respectively. In Germany, Austria's main trading partner, GDP is expected to contract by 0.6 % in 2023. Next year, the German economy is expected to recover by 1.2 %. Italy and Switzerland are forecast to grow by 0.6 % and 1.3 % respectively next year, after 0.7 % each in 2023.

Current situation in Austria

The Austrian economy recorded very strong GDP growth of 4.8 % last year. The first half of last year was still characterised by the pandemic-related recovery process. In the second quarter of last year, economic output was 3.2 % above the pre-pandemic level. Austria thus recovered from the pandemic faster than the euro area or Germany. The latest revision of the national accounts data revealed that economic output declined in the second half of last year.

Real GDP grew slightly at the beginning of the year. In the second quarter, however, economic output fell surprisingly sharply by 0.8 % compared with the previous quarter (or by 1.3 % compared with the same quarter of the previous year). Losses in value added occurred in construction, industry and some service sectors. Tourism is supporting economic growth. In the summer season so far, the number of overnight stays has been 1.6 % higher than in the same period before the pandemic. Industrial production in Austria has declined in recent months, but remains at a high level.

The WIFO business cycle survey conducted in September continues to show pessimistic economic assessments by companies. The Economic Sentiment Indicator (ESI) of the European Commission recently reached its lowest level since June 2020. Although consumer confidence has recovered from its low in the summer of 2022, it is still in negative territory. The UniCredit Bank Austria PMI for the industrial sector has been below the growth threshold of 50 points for 14 consecutive months.

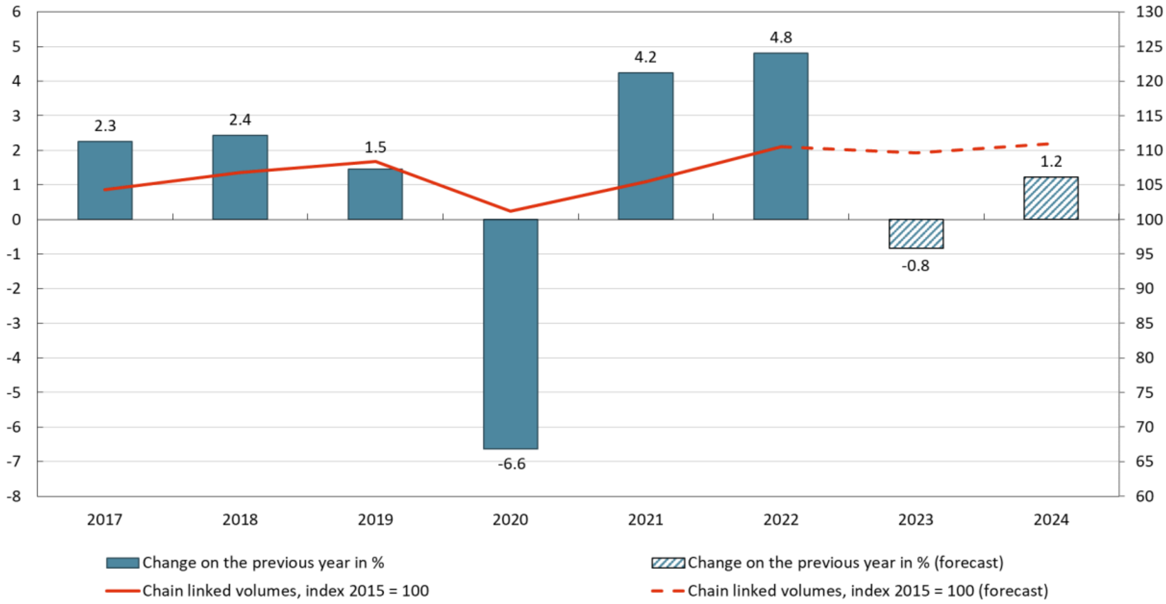
Short-term growth outlook

In October 2023, the WIFO conducted a short- and medium-term economic forecast, which served as basis for the preparation of the budget. According to the forecast, the Austrian economy will experience a mild recession in 2023. Various international developments have led to an industrial recession in Europe, from which Austria, as a small open economy, cannot decouple herself.

The WIFO expects real GDP to contract by 0.8 % in 2023. The industrial and the construction sector weigh on growth, with the latter suffering in particular from interest rate hikes. The sub-sectors of the services sector are expected to develop heterogeneously in 2023, while the services sector as a whole is expected to stagnate. On the demand side, the annual GDP growth rate is dragged down by a sharp reduction in inventories. This will no longer be the case in 2024.

The economy is expected to recover in 2024, with WIFO forecasting a growth rate of 1.2% - the same rate as in the euro area – and a significant acceleration of annual growth towards the end of 2024. Private households will provide a strong impulse to economic growth. The delayed adjustment of wages and salaries as well as pensions and social benefits to inflation will result in high real income growth. In addition, the WIFO expects world trade to pick up next year. On the production side, the expected growth rate will largely be driven by the expansion of the services sector. The industrial sector is expected to stagnate, while value added in the construction sector will continue to decline.

Figure 2: Austrian real GDP

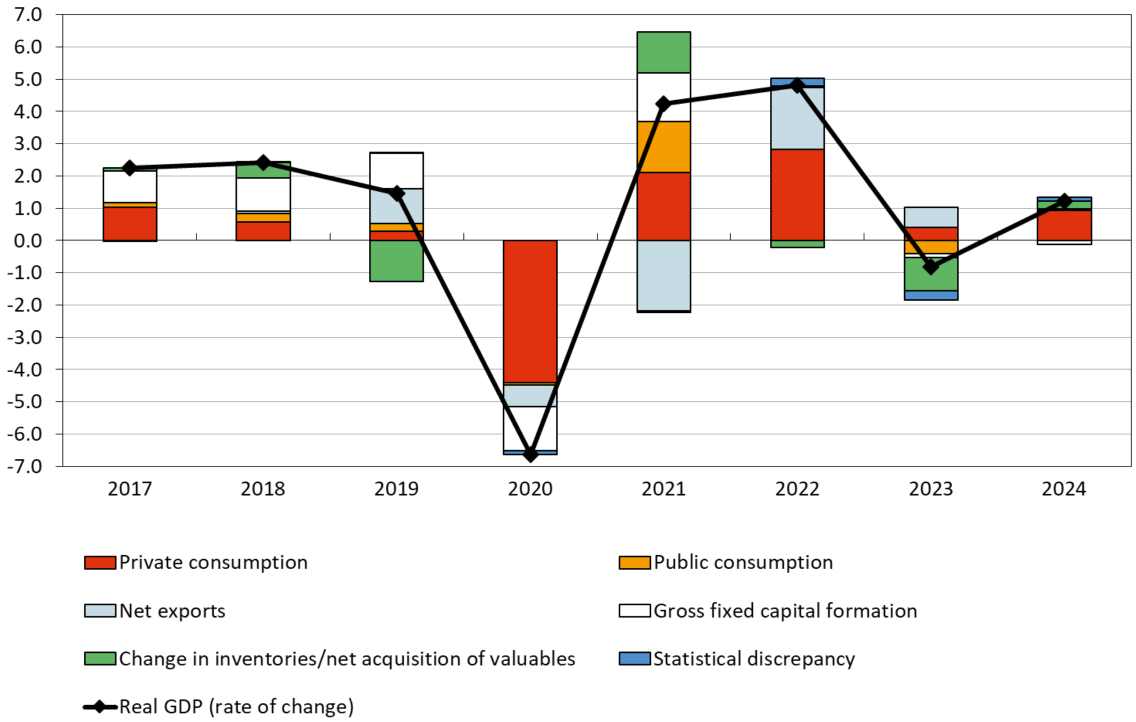


Left axis: Change on the previous year in %

Right axis: Chain linked volumes, index 2015 = 100

Sources: STAT, WIFO

Figure 3: Contribution to real GDP growth



Left axis: Contribution to real GDP growth in percentage points

Sources: BMF, STAT, WIFO

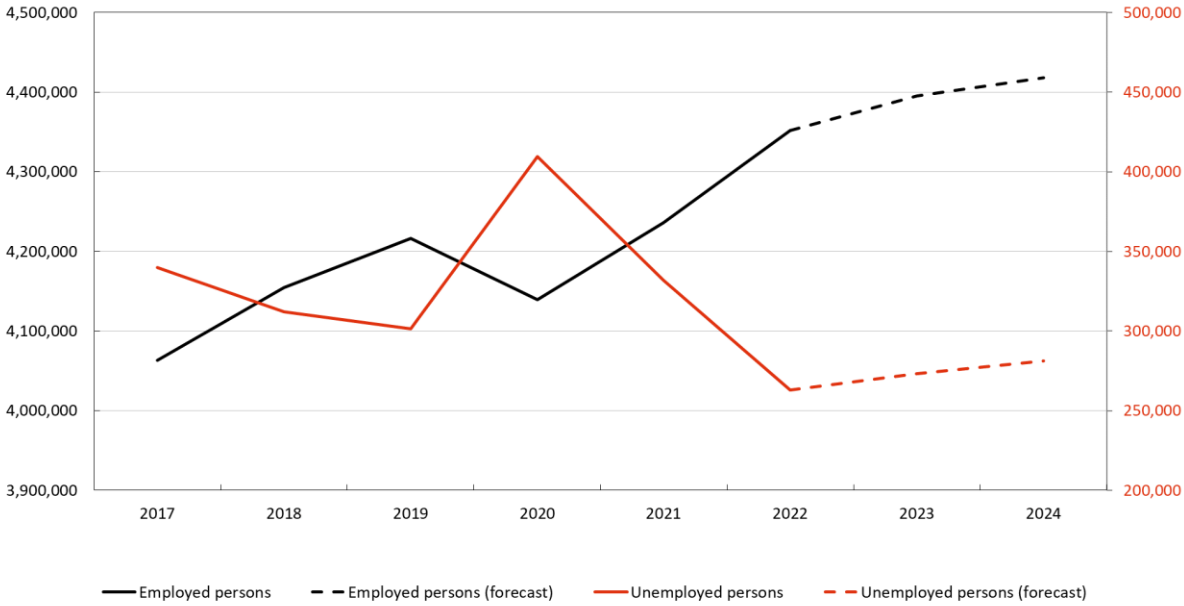
Against the background of strong real income growth, private consumption is expected to increase by 1.8 % next year. Gross fixed capital formation is expected to contract by 0.5 % in 2024. This is due to declining construction investments. The WIFO expects net exports to make a roughly neutral contribution to the annual growth rate 2024.

Labour market outlook

The Austrian labour market is robust despite the economic weakness. The economic downturn has so far been reflected in a decline in job vacancies. According to the Public Employment Service Austria (AMS), the number of immediately available vacancies in September was around 22,000 or 17.2 % lower than a year earlier. Employment rose by 0.9 % year-on-year. The unemployment rate (national definition) rose to 5.9 %, but was still significantly lower than in the same month of the pre-crisis year 2019. Besides the economic situation, the increase in unemployment is mainly due to an expansion in labour supply.

According to the WIFO, the labour market is set to remain robust over the forecast horizon, partly as a result of “labour hoarding”. The unemployment rate (national definition) is expected to rise slightly from 6.3 % last year to 6.5 % in 2023 and 6.6 % in the following year. Unemployment will thus remain considerably lower than in the pre-crisis year 2019 (7.4 %).

Figure 4: Employed and unemployed persons



Left axis: Employed persons
Right axis: Registered unemployed persons
Source: WIFO

Inflation outlook

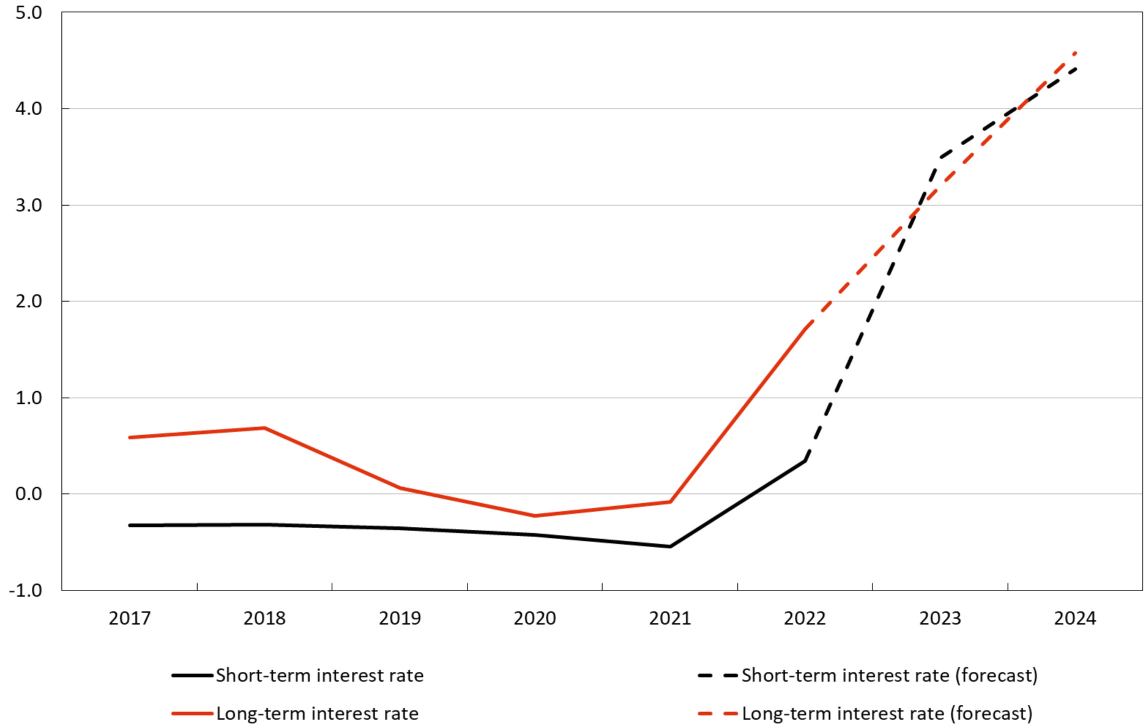
Consumer price inflation peaked in January 2023 and, according to the flash estimate, is expected to have fallen to 6.1 % in September. This is the lowest level since the start of the war and inflation has fallen by 5.1 percentage points since the beginning of this year. The inflation differential with the euro area is expected to have narrowed to 1.5 percentage points.

For the year 2023 as a whole, WIFO forecasts an inflation rate (CPI) of 7.7 %, which is slightly lower than last year's 8.6 %. Next year, inflation is expected to fall sharply to 4.0 %.

Interest rate developments

With the tightening of monetary policy, interest rates have started to rise again since last year. Short-term interest rates were negative from 2015 to 2021 and stood at 0.3 % in 2022. For the annual average in 2023, WIFO is forecasting an increase to 3.5 %. Long-term interest rates were negative in 2020 and 2021 and rose to 1.7 % last year. In 2023 and 2024, WIFO expects long-term interest rates of 3.2 % and 4.6 %, respectively.

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



Left axis: Annual average (in %)
Source: WIFO

Risks to the outlook

Uncertainty about the further economic development is elevated, with downside risks emanating in particular from the international environment. These include, for example, a further escalation of the war in Ukraine. More generally, an intensification of geopolitical conflicts could lead to renewed increases in commodity and energy prices. If (core) inflation turns out to be more persistent than expected or rises again, policy rates would probably need to be raised further or remain at high levels for longer than currently anticipated. This would probably be associated with a sharper decline in aggregate demand. On the other hand, inflation could fall faster than expected. Another downside risk to the global economy comes from China. With regard to the availability of gas, the EU already reached its target of filling gas storage facilities to 90 % of their capacity in August. In Austria, the filling level was around 95 % at the beginning of October 2023. With gas supplies secure, a sudden rise in energy prices seems unlikely.

Comparison of forecasts

The economic forecast of the Institute for Advanced Studies (IHS) of 6 October 2023 expects the Austrian economy to grow by -0.4 % in 2023 and by 0.9 % in 2024. According to the June forecast of the Austrian National Bank (OeNB), growth should be 0.5 % in 2023 and 1.7 % in 2024. In its spring forecast, the European Commission expects real GDP to grow by 0.4 % in 2023 and by 1.6 % next year. The IMF published its latest forecast for Austria on 10 October. The economy is projected to grow by 0.8 % in 2024 after only 0.1 % this year. The OECD expects the Austrian economy to grow by 0.2 % in 2023 and 1.6 % next year.

2.2 Financial sector developments

Following the Russian invasion of Ukraine in February 2022, there was a significant increase in energy and commodity prices. In the meantime, however, commodity prices have weakened again but are still at a relatively high level in some cases. The oil price showed a strong upward movement in August and September 2023, and the European gas price is still well above its long-term average.

The ECB started raising key interest rates in July 2022, the US Federal Reserve as early as March 2022. The ECB has raised the policy interest rate by 450 basis points until September 2023. An end to interest rate hikes in the US and the eurozone seems likely in the near future.

The eurozone and the US have so far managed to avoid a recession despite sharp interest rate hikes. Despite weak economic development, the unemployment rate in the euro area remains stable and is still at a record low. The US unemployment rate also remains at a very low level.

The euro traded below its long-term average against the dollar in 2023, but the nominal-effective euro exchange rate showed an upward trend in 2023 and is above its long-term average. Interest rate and inflation expectations as well as economic developments are key factors for the further euro exchange rate development.

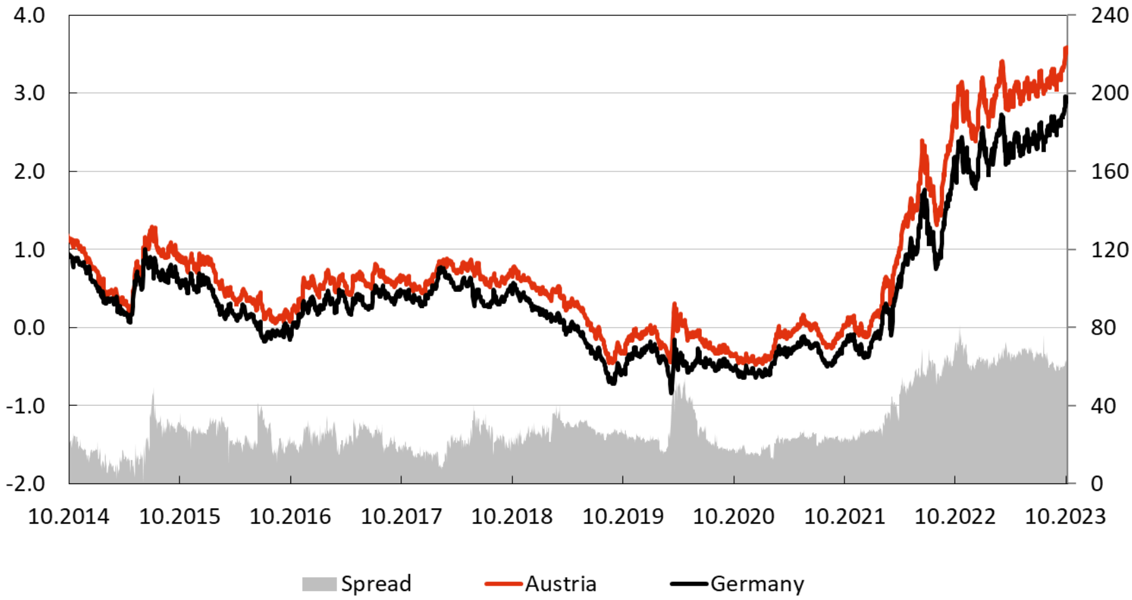
Negative economic and stability risks include geopolitical risks (Ukraine war; Middle East conflict), financial market stability risks, stagflation, persistently high wage demands; status of China's real estate sector; supply constraints due to labour shortages; persistently high energy and electricity prices as well as high household, government and corporate debt ratios.

Long-term interest rates

Long-term Austrian interest rates (yield on 10-year government bonds) were slightly negative for most of 2021. From March 2022 onward, there was a clear 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 well above 3 % at the end of 2022 and in March 2023, temporarily reaching its highest level since early 2012. In March 2023, a US banking crisis caused yields in the euro area to fall as interest rate hike expectations diminished and new economic concerns emerged. In summer 2023, the 10-year Austrian yield again fluctuated between 3.10-3.30 %, and in September/October 2023 it rose to over 3.50 % (highest level since early 2012).

The spread of the 10-year Austrian yield over the 10-year German government bond yield (without maturity adjustment) fluctuated between 15-30 basis points over the course of 2021 and showed relatively low volatility. However, due to the Ukraine war, there was an increase in the interest rate spread from February 2022 onward. Since September 2022, the long-term interest rate spread has fluctuated between 60-70 basis points. In August and September 2023, the interest rate spread temporarily fell below 60 basis points (after the rating agency Fitch raised its rating outlook for Austria to "stable" in August 2023). The average interest rate spread since 2011 is around 35 basis points.

Figure 6: Long-term interest rates and spread



Left axis: Long-term interest rate in %

Right axis: Spread in basis points

Sources: BMF, Macrobond (9 October 2023)

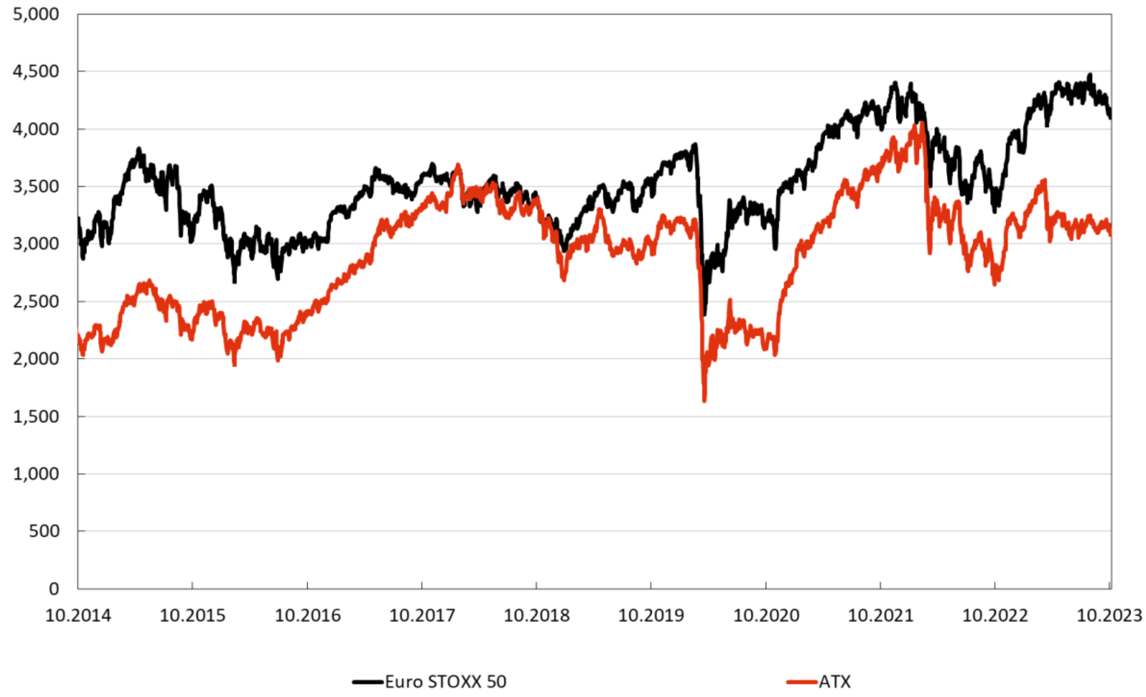
Equity market

European stock markets have largely performed positively so far in 2023, due to expectations of a sustained decline in inflation and a possible end to ECB interest rate hikes in the near future. In September 2023, however, the expectation of longer-lasting high policy interest rates caused share prices to fall.

In recent years, the Austrian stock market (ATX) has mostly moved in line with the Euro-Stoxx-50-index. Since autumn 2022, the ATX has shown a clear upward trend, primarily due to good corporate results, and in March 2023 temporarily rose to its highest level since the outbreak of the Ukraine war. In mid-March 2023, however, the ATX experienced a sharper decline due to increasing uncertainties about possible risks in the banking sector. After a slight recovery in spring 2023, the ATX has shown a sideways movement since that time.

In September 2023, there was an increase in global uncertainties as the Chinese economy developed weaker than expected and new interest rate fears emerged for the USA.

Figure 7: Equity market performance



Sources: BMF, Macrobond (9 October 2023)

2.3 Assessment by 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 outlook is assessed as "stable" by all three agencies, i.e. there is currently no information on possible rating changes within the next 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 more than 11 years and an average interest rate of 1.5 %, and there are no foreign currency risks. Responsible budgetary policy prior to the COVID-19 crisis allowed comprehensive support to preserve the productive potential and purchasing power during the pandemic and the energy crisis. Energy supply bottlenecks have become less likely, due to the diversification of imports and high gas storage levels.

Compared to „AAA“-rated countries, the public debt stock was too high even before the COVID-19 and the energy crises. In addition, high and rising pension expenditure and structural weaknesses (rigidities in the service sector, high tax burden, low employment rate of older workers) exert pressure on the rating. In the short to medium term, the resilience of the economy against the deteriorating macroeconomic environment (increase in prices and financing costs, slowdown in global demand), progress with the reduction of public debt and the structural reform agenda will determine the rating. In addition, the rating agencies will closely follow developments in the area of energy and the green transition, as well as the economic and budgetary risks of climate change.

2.4 Qualitative description of economic policy measures and their effects

With the 2024 budget and the 2024-2027 medium term expenditure framework, the Austrian government is continuing its active budget policy of recent years:

- The fiscal equalisation scheme 2024-2028 will provide the state governments and municipalities with the necessary funds to expand and maintain municipal services of general interest, especially in the areas of childcare, health and care, climate protection and housing.
- The federal government invests in the future of Austria as a business location by promoting science, research and development, universities and universities of applied sciences, the climate-neutral transformation of companies and the expansion of public infrastructure.
- The abolition of the bracket creep and the indexation of social benefits will stabilise the economy under challenging economic conditions. Households and businesses are relieved in the long term and the effects of inflation are mitigated, purchasing power is stabilised and competitiveness is secured.

The most important new or adapted measures are briefly described below. A comprehensive description can be found in the 2024 budget report.

2.4.1 General agreement on the fiscal equalisation scheme, from 2024 onwards

Since December 2022, intensive negotiations have been taking place at several levels and in three working groups on the fiscal equalisation scheme from 2024 onwards, with discussions focusing in particular on funding and the need for reforms in the areas of health, care, education and climate.

On 3 October 2023, the fiscal equalisation scheme partners were able to reach a general agreement on the volume for the fiscal equalisation scheme. This general agreement formed the basis for the council of ministers' decision 72/12 of 4 October 2023 and includes an average volume of 3.4 bn euro p.a. in the years 2024 to 2028 for the following areas:

Health

- Strengthening of the outpatient sector: +300 m euro p.a.
- Strengthening of the outpatient hospital sector and for structural reforms: +550 m euro p.a., from 2025 indexation with CPI according to WIFO medium-term forecast +2 pp
- Digitisation/eHealth (one-third funding): +17 m euro p.a.
- Health promotion (third party funding): +20 m euro p.a.
- Vaccination (third party funding): +30 m euro p. a.
- Medicines: +3 m euro p. a.

Long-term care

- Increase of the long-term care fund to 1.1 bn euro in 2024, indexation from 2025 with CPI according to WIFO medium-term forecast +2 pp
- Continuation of the agreement on 24-hour care (incl. increase of subsidy rates to 800 euro)
- Continuation of the compensation for the abolition of the care recourse (Pflegeregress) at the current level

Fiscal equalisation scheme: "core topics"

- **Future Fund:** 1.1 bn euro p.a., indexation from 2025 with CPI according to WIFO medium-term forecast. This new instrument is intended to support the attainment of quantifiable targets (still to be worked out jointly) in the areas of childcare, housing/refurbishment and environment/climate.

- Continuation of the financial allocation according to section 24 FAG 2017 with an increase from 300 m to 600 m euro, of which 120 m euro are allocated for the municipalities' structural fund (+60 m euro).
- Repayable special advance on the municipalities' income shares in 2024 of 300 m euro; repayment in three instalments of 100 m euro in the years 2025 to 2027.
- Further funds from the fiscal equalisation scheme of approximately 100 m euro p.a. for various other areas.

This basic financial agreement is, however, expressly subject to an overall agreement on the new fiscal equalisation scheme, i.e. on the legal texts, the agreements pursuant to Art. 15a Federal Constitutional Law and the text of the Pact.

2.4.2 Energy relief measures for private households

In 2024, energy relief measures totalling 0.6 bn euro are still planned for private households, specifically for the electricity cost subsidy. This will ensure an affordable electricity supply for households in the coming months.

The electricity cost subsidy for households ("**electricity cost brake**") subsidises a basic requirement of electricity in the period from 1 December 2022 to 30 June 2024. 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 quota, 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, thus continuing to provide energy-saving incentives and market price effects. Special schemes exist for both low-income households and households with more than three persons. Low-income households that are exempt from the renewable subsidy receive an additional subsidy of 75 % of the grid costs ("**grid cost subsidy**"), although the subsidy is capped at 200 euros per metering point and year and did not start until 1 January 2023. Households with more than three persons receive an additional fixed amount of a maximum of 166.25 euros per person ("**electricity cost supplement**").[1]

[1] The fixed amount is taken into account for the fourth and each additional person registered as a primary resident in three tranches on the annual or final statement: Tranche 1 of 61.25 euro for the period 1 December 2022-30 June 2023, tranche 2 of 52.50 euro for the period 1 July 2023-31 December 2023 and tranche 3 of 52.50 euro for the period 1 January 2024-30 June 2024.

2.4.3 Living and Housing Cost Compensation Act (LWA-G)

In order to reduce and prevent child poverty, the federal government has adopted another effective package of measures that offers affected families financial planning security. In total, the funds made available for the measures under the LWA-G amount to 0.4 bn euro in 2024. The package includes the following individual measures, which are regulated in the Living and Housing Cost Compensation Act (LWA-G):

- **Support for families with children who receive unemployment benefits, emergency assistance, social assistance, equalisation supplement:** For families with children, 60 euro per month per child will be paid automatically and without application until the end of 2024 if they are in receipt of unemployment benefits, emergency assistance, social assistance or equalisation supplement.
- **Support for single-parent and single-earner families with low incomes:** For single parents and single earners with children, 60 euros per month per child will be paid out automatically without application until the end of 2024, provided that the reference limit of 24,500 euro gross in 2023 is not exceeded. [2]
- **Support of free non-profit food distribution:** By supporting the logistics (collection, storage and distribution) including the necessary infrastructure and personnel capacities as well as the purchase of food, a targeted supply of vulnerable households with food shall be ensured.
- **Expansion of in kind grants for pupils:** For each pupil from primary school to the end of secondary school who lives in a household receiving social assistance or needs-based minimum benefit and has not yet reached the age of 24, the grant will be expanded from 120 euros to 150 euros and will be made available twice a year from 2024. The allowances serve as a contribution to cover the costs associated with school attendance and to satisfy basic needs such as food, clothing and sanitary products.
- **Additional funds for the housing shield:** The housing shield is funded by the federal government and provides for support to secure housing in the event of rising rent and energy costs and to prevent evictions. The funds available in 2024 of 15 m euro will be increased by 50 m euro to a total of 65 m euro.

[2] If support is already obtained in accordance with the first bullet point, this excludes support.

2.4.4 Abolition of bracket creep - use of remaining third

Since 2023, the real loss of income experienced by people due to the effect of bracket creep has been compensated for by adjusting the main brackets of the income tax scale to the rate of inflation. The arithmetic mean for the months of July of the previous year to May of the current year and the provisional value for June of the current year are used to determine the inflation rate.

An inflation rate of 9.9 % was calculated for the **adjustment in 2024**. The bracket creep in 2024 amounts to 3.7 bn euro (WIFO & IHS, 2023[3]). The automatic adjustment applicable for two thirds will compensate for 2.5 bn euro for 2024 (see Inflation Adjustment Act 2024, Federal Law Gazette II No. 251/2023). For the remaining third, amounting to 1.2 bn euro, the Federal Government wants to give something back to the working population, families and pensioners and make their living conditions easier. Specifically, the following measures, classified according to priority areas, are planned:

- **Relief for earned income and pensions with a focus on low and medium incomes**
  - Additional staggered adjustment of the first four tax brackets in different percentages; specifically, the first tax bracket by a total of 9.6 %, the second tax threshold by a total of 8.8 %, the third tax threshold by a total of 7.6 % and the fourth tax threshold by a total of 7.3 %
  - Full adjustment (by 9.9 %) of the deductions (single-earner and single-parent deductions, transport deductions, pensioner deductions, alimony deduction), including related income and phase-in limits, as well as the social security refund and the social security bonus
  - Increase of the tax-free allowance for profits from 30,000 euro to 33,000 euro to further reduce the burden on the self-employed

- **Combating labour shortages and creating positive performance incentives**
  - Extending the tax benefits for overtime by increasing the monthly allowance from 86 euro to 120 euro. Moreover, for a limited period of two years (2024 and 2025), the monthly allowance for the first 18 hours of overtime will be 200 euros per month. Subsequently - in order to be able to react flexibly to current developments - the measure will be evaluated, ensuring that the attributable relief volume will have a lasting effect.

[3] See https://www.bmf.gv.at/dam/bmfgvat/services/publikationen/veroeffentlichungen-20-bvg/BMF2023_Progressionsbericht.pdf (18 October 2023)

- Extension of the tax benefits for dirty work, hardship and danger allowances as well as allowances for work on Sundays, public holidays and at night by raising the monthly allowance from a total of 360 euro to 400 euro
- Indefinite extension of the tax regulations concerning home office work of employees

- **Relieving the burden on children and families and combating child poverty**
  - Increase of the additional child allowance, which is an important tax relief for families with lower incomes, from 550 euro to 700 euro
  - Doubling the maximum possible tax-free subsidy for childcare by an employer from 1,000 euro to 2,000 euro for children up to 14 years (previously 10 years) and granting tax exemptions for the use of company kindergartens at reduced rates or free of charge, even if these facilities can be attended by children from outside the company.

2.4.5 Energy relief measures for businesses

After the energy cost subsidy 1 (EKZ 1), the lump sum subsidy model 1 and the electricity price compensation, which all are allocated to the year 2022 according to ESA 2010, energy cost subsidies for companies amounting to 1.9 bn euro are still planned for the allocation period 2023. The energy cost subsidies for companies include the energy cost subsidy 2 (EKZ 2) and the lump sum subsidy model 2.

EKZ 2 is the continuation of EKZ 1 for the allocation period 2023 (1.1.-31.12.2023). EKZ 2 is also aimed in particular at existing companies with a permanent operating facilities in Austria that are engaged in commercial or industrial business activities in their own name and for their own account, as well as non-profit legal entities with their business activities.

Companies not eligible for support include energy-producing and mineral oil-processing companies or primary agricultural and forestry production. Compared to EKZ 1, however, a number of relevant criteria are to be adjusted in line with the extended and amended European Temporary Crisis Framework for State aid in connection with Russia's aggression against Ukraine (2022/C 426/01 as amended). Among other things, this allows for higher funding intensities and higher grants per company. Moreover, five instead of four funding levels are now provided. Prerequisites for the granting of a subsidy are, among other things, a commitment of the enterprises to energy-saving measures, restrictions on bonus payments and dividend distributions as well as an employment guarantee from subsidy level 2 onwards. The guideline with the specific criteria is being prepared at the time of the finalisation of this report. The execution will again be carried out by Austria Wirtschaftsservice GmbH (aws).

For the allocation period 2023, there will again be a **lump sum subsidy model for micro and small enterprises 2** that do not reach the funding floor of EKZ 2. The criteria will be adapted in accordance with the provisions of the amended Temporary Crisis Framework of the EU. The directive is still being agreed upon, at the time of the finalization of this report. Again, the Austrian Research Promotion Agency (FFG) will be responsible for processing the funds.

2.4.6 Further measures

Chips Act: The European Commission has implemented a package of measures to strengthen strategic autonomy and security of supply in chips with the European Chips Act ("Chips Act"). It aims to improve the EU's resilience and technological sovereignty in the semiconductor industry, boost production, innovation and research, and thus reduce the EU's vulnerabilities and dependencies on foreign players. In Austria, the electronics industry already plays a central role with around 65,000 employees in almost 200 companies at nearly 100 locations, which is to be consolidated and further expanded in the future. Within the framework of the national European Chips Act, the federal government is therefore providing extensive new subsidies in the years up to 2027 with a focus on building new production capacities (160 m euro in 2024, a total of 490 m euro 2024-2027).

Free climate ticket for 18-year-olds: The climate ticket enjoys great popularity and significantly drives the switch to public transport. There are already discounts or special offers for people up to and including 25 years of age and over 65 years of age, for people with mobility impairments and for families. In order to further increase the attractiveness among young adults, the federal government will introduce a free climate ticket for 18-year-old Austrians in the future.

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. During the period 2020-2026, 338 bn euro in grants and close to 386 bn euro in loans will be made available to Member States. The funds can be accessed through national Recovery and Resilience Plans.

The Austrian Recovery and Resilience Plan (ARP) was submitted to the European Commission on 30 April 2021 and approved by the Council of the EU on 13 July 2021. It contains reforms and investments in four areas: green transition, digital transition, knowledge-based transition and just transition[4]. Implementation continues to progress. With the pre-financing of 450 m euro received in 2021 as well as the pay-out of the first of six disbursement tranches of 700 m euro in April 2023, Austria has already received 1.15 bn euro or around 30 % of the resources allocated to its ARP.

On 14 July 2023, Austria submitted a revision of its ARP to the European Commission. This includes amendments to measures that can no longer be implemented to the extent originally planned due to objective circumstances, such as high inflation and the consequences of the Russia’s war of aggression, as well as to measures that were already achieved significantly earlier than planned and whose fulfilment can be proven to the European Commission ahead of the original schedule.

Furthermore, four measures in the energy sector have been added to the ARP in a REPowerEU chapter. With the REPowerEU package, a total of 20 bn euro is available at EU level through the sale of emission certificates for the implementation of projects in the area of energy independence from Russia and the ecological transformation. With the implementation of the supplementary measures in the energy sector, Austria can access 210.3 m euro in additional EU funds for the implementation of its ARP.

Specifically, the REPowerEU chapter contains two reforms and two investments. The amendment to the Environmental Impact Assessment Act will speed up approval procedures for renewable energies, while the federal government's hydrogen strategy will accelerate the development of the hydrogen infrastructure in Austria and advance the

[4] https://www.bundeskanzleramt.gv.at/eu-aufbauplan.html

expansion of imports of climate-neutral hydrogen. The reforms will be accompanied by investments in green energy in the form of funding for photovoltaic systems and support for the switch to climate-friendly commercial vehicles.

The submission of the revised ARP in July 2023 marked the beginning of the evaluation period for the European Commission. The endorsement of the revised ARP by the Council of the EU is expected in November 2023. The next payment request can only be submitted following endorsement and the signing of operational agreements between Austria and the European Commission. The second payment request in the amount of presumably more than 900 m euro can therefore be submitted at the earliest at the end of 2023.

3 Economic and budgetary challenges, goals and strategy

The budgetary policy of the last few years was very much characterised by the management of the COVID-19 crisis and the subsequent energy crisis with historically high inflation rates.

At the same time, with the eco-social tax reform, the bracket creep abolition, the indexation of social benefits and the reduction of non-wage labour costs, the federal government has implemented structural and lasting relief measures that have fundamentally changed the budgetary framework in Austria.

The energy crisis led to a significant cooling down of the economy from the second half of 2022 onwards and a decline in economic output in 2023. The inflation rate peaked in January 2023, but is proving to be persistent and is only declining gradually.

The new priority measures set by the federal government together with the inflation-related increased spending by the federal government, e.g. for interest payments, pensions or the compensation of employees, exceed the inflation-related additional revenues. Despite the budgetary burdens, the general government Maastricht deficit can be kept below 3.0 % of GDP in the planning period until 2027. The decline in the debt ratio is slowing down.

3.1 Budget execution in 2022

The fiscal year 2022 was characterised by strong revenue growth. Revenues developed dynamically with growth of 8.7 % due to the good economic situation, the stable situation on the labour market, but also as a result of the high inflation rate. Taxes on income and wealth as well as taxes on production and imports recorded strong increases, which were dampened by measures of the eco-social tax reform (tax tariff reduction, increase in negative taxes) and payment-side relief measures against inflation.

Despite a marked decrease in spending to address the COVID-19 crisis, government expenditures increased by 4.4 % in 2022. This is mainly due to new energy relief packages as well as further measures by the federal government to cushion the price shock for households and companies and to strengthen Austria's energy independence. In particular, other current transfers (including climate and anti-inflation bonuses) and other expenditures (procurement of the strategic gas reserve) grew significantly.

Net lending/borrowing: In the September notification, Statistics Austria calculates a Maastricht balance of -3.5 % of GDP, which corresponds to -15.8 bn euro.

Compared to the March notification, there was a downward revision of the balance from 0.3 % of GDP, in particular due to a change in the allocation of COVID-19 earnings losses (Epidemics Act). The new method based on COVID-19 case numbers results in an allocation of cash payments in 2023 to ESA expenditure in 2022. Contrariwise, due to new available claims data, there is a reduction in expenditure for the energy cost subsidy 1 for 2022. The debt ratio was not revised.

Debt ratio: The Maastricht debt ratio fell in 2022 (despite the general government deficit) by 4.1 pp below the comparable figure for 2021 and stood at 78.4 % of GDP. The decline in the debt ratio thus continued in 2022.

3.2 Budget in 2023

The public budgets in 2023 are marked by a significant weakening of the economy with a negative **real growth rate of -0.8 %**.

In budgetary terms, the abolition of the bracket creep is having an effect on the revenue side. On the expenditure side, as in the previous year, measures will continue to be taken to ensure an affordable electricity supply, for private households as well as for companies. In addition, there are rising expenditures for pensions, compensation of employees, national defence, the green transformation and interest. Overall, the general government fiscal balance in 2023 shows an improvement of 0.8 pp to 2.7 % of GDP compared to 2022 and is thus expected to be below the 3.0 % threshold for the first time after the COVID-19 crisis.

Net lending/borrowing

According to the current forecast of the Federal Ministry of Finance, the general government Maastricht balance will amount to -13.1 bn euro or **-2.7 % of GDP** in 2023. Compared to the forecast in the Stability Programme in spring 2023, there is an improvement of 0.5 pp of GDP, mainly due to updated estimates of the energy relief measures. Both expenditures (esp. for energy cost subsidies[5], electricity cost subsidy) and revenues from the energy crisis contributions will be lower. After a peak of the Maastricht deficit at -8 % of GDP in 2020 and a subsequent improvement, in 2023 a fiscal balance below the 3% limit is expected for the first time. Compared to 2022, there is an improvement of 0.8 pp of GDP.

Due to stable revenue shares, the fiscal balance of state governments ("Länder") develops positively in 2023, and amounts to +0.1 % of GDP. The fiscal balance of local governments ("Gemeinden") is slightly negative at -0.1 bn euro (0.0 % of GDP) and social security funds have a positive fiscal balance of +0.1 bn euro (0.0 % of GDP).

Public debt

The debt ratio has been declining since 2021, and this **decline continues in 2023**. The reason for this is a projected nominal GDP growth of 7.1 % (despite a slightly negative real GDP growth rate). This leads to a decline in the debt ratio despite an increase in the absolute public debt, as the denominator of the ratio grows strongly. Specifically, the debt ratio is expected to decline from 78.4 % of GDP in 2022 to 76.4 % of GDP by the end of 2023. In absolute terms, however, public debt is expected to increase by 15.5 bn euro from 350.7 bn euro to 366.2 bn euro. The increase in public debt is higher than the absolute general government Maastricht deficit due to stock-flow adjustments (e.g. accruals for interest payments).

Revenue

In 2023, general government revenue is expected to grow by a solid rate of 6.0 %. The development of revenues in 2023 will be shaped primarily by five factors:

- A dynamic development of **taxes on production and imports** (especially VAT revenues) supported by a solid increase in nominal private consumption.
- **Social security contribution revenues** are developing very well due to the positive development of employment.

[5] Based on the subsidy period, the energy cost subsidy 2 is allocated to the year 2023 in accordance with ESA 2010.

- Extraordinary dividend income from the energy sector, especially a special dividend from Verbund, strengthen property income.
- **Income and wealth taxes**, especially capital gains tax and corporate income tax, as well as personal income tax are developing very positively, this is observable despite dampening tax measures (e.g. eco-social tax reform, abolition of bracket creep, inflation compensation).
- The **state-owned enterprises** (especially public railways, theatres and museums) show good capacity utilisation.
- The **reduction of the energy tax**, which has been extended until the end of 2023, is dampening revenues.

Expenditure

Despite comprehensive energy relief packages to cushion high energy prices, general government expenditure in 2023 increases only moderately by 4.5 % to a value of 248.4 bn euro due to declining COVID-19 measures. This continues the **gradual normalisation of the government expenditure** ratio from 56.8 % of GDP in 2020 towards 50 % of GDP (51.8 % of GDP in 2023). The expenditure-side support measures for companies to cope with the COVID-19 crisis expired in 2023, and the instrument of short-time work was already adapted at the end of 2022.

Measures to **cushion rising energy prices** include the energy cost subsidy 2 and the lump sum subsidy model for micro and small enterprises (approx. 1.9 bn euro)[6], the electricity cost subsidy limits electricity prices for households and leads to budgetary effects of 1.4 bn euro in 2023. Compensation for increased grid losses for end customers has a budgetary impact of 0.5 bn euro.

Various **relief measures for vulnerable groups** include the housing and heating cost subsidy, the housing shield and the Living and Housing Cost Compensation Act (approx. 0.7 bn euro). Similar to 2022, one-off income support payments were made to pensioners in 2023 (0.5 bn euro). Due to the ongoing **investments in the railway infrastructure**, expenditure for gross fixed capital formation remains at a high level and reaches a particularly high level due to the procurement of train sets. Finally, the investment premium adopted in the 2021 economic stimulus package leads to strong increases in capital transfers.

[6] Based on the subsidy period, the total energy cost subsidy 2 is allocated to the year 2023 in accordance with ESA 2010. ESA values may differ from administrative values.

3.3 Development of the public budget 2024

At the **general government** level, despite the **recovering economic situation with real growth of +1.2 %**, the public budgets in 2024 remain burdened by the indexation of salaries, pensions and social benefits. The particularly high inflation rates from mid-2022 to mid-2023 manifest themselves through the rolling indexations in 2024.

In addition, the fiscal equalisation scheme will have an expansionary budgetary effect by strengthening of the health and care sector. On the revenue side, the abolition of the bracket creep as well as the reduction of contributions to the unemployment insurance and a VAT exemption for photovoltaic systems from 2024 will show effect.

Net lending/borrowing

According to the current budget forecast, the general government Maastricht balance in 2024 will amount to -13.7 bn euro or **-2.7 % of GDP**. The forecast made in the stability programme in April 2023 is thus revised downwards by 1.1 pp. Compared to 2023, there is a sideways movement at -2.7 % of GDP.

Public debt

The debt ratio is also expected to move sideways and remain at **76.4 % of GDP** compared to 2023. Nominal GDP growth of 5.5 % is lower than in previous years and no longer causes a decline in the debt ratio. In absolute terms, the debt level will rise from 366.2 bn euro to 386.1 bn euro in 2024.

Revenue

Compared to 2023, general government revenue is still expected to grow at a high rate of 5.9 %. This very good development is due to a **stable labour market** with an increasing employment rate despite a strained economy and stable private consumption. Taxes on production and imports, especially VAT revenues, continue to develop well due to stable private consumption supported by higher wage settlements and government relief measures.

- **Social security contribution revenues** show a dynamic development due to a growth of the gross wage bill (+8.1%) above nominal GDP growth.
- **Taxes on Production and imports** are also developing well with growth of 5.9 %, this development is due to the expiry of the reduction of the energy tax and nominal growth in private consumption of 5.9 % and thus similarly growing VAT

revenues. A restrained development of consumption taxes (among others mineral oil tax, tobacco tax) has a dampening effect.

- **Current taxes on income and wealth** show a growth of 5.5 %, which corresponds to nominal GDP growth; the abolition of the bracket creep is crucial for this.
- The revenues of companies included in the general government sector continue to make a solid contribution to the growth of general government revenues.

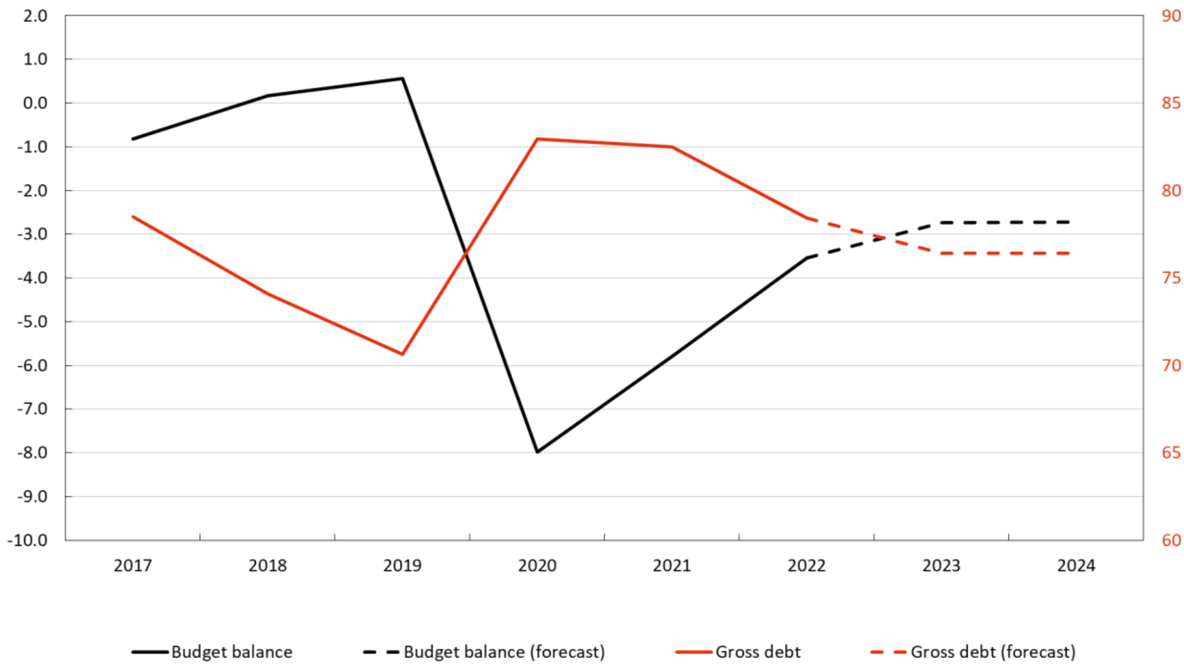
Expenditure

Government expenditure in 2024 picks up momentum again compared to 2023, growing by 5.9 % to 263.0 bn euro. The reasons for this are the delayed effects of inflation on the expenditure side (salaries, pensions, indexed social benefits) and a change in the dynamics of interest expenditure. From 2024 onwards, the new fiscal equalisation scheme is to take effect with a focus on the areas of health, care, elementary education, climate and mobility. These expansive effects are countered by the expiry of energy relief measures and only low COVID-19 expenditures.

- **Compensation of employees** rises due to the rolling inflation compensation and due to volume effects, which results from the strengthening of the areas of health, care and elementary education **(+9.9 %).**
- Expenditure on **monetary social benefits** also grows by +9.3 % due to inflation, manifesting indexation of social benefits for families and pensions, and higher claims for unemployment benefits. In the area of pensions, the stronger pension cohorts of the "baby boomers" are also noticeable.
- From 2024 onwards, the agreement on the **fiscal equalisation scheme** gradually increases general government expenditures, in particular for employee compensation and intermediate consumption in hospital outpatient departments and for kindergartens. Moreover, social benefits in kind rise in the course of increasing the number of medical doctors’ offices, current transfers rise in connection with expenditure for long term care and private kindergartens. Finally, more capital transfers for various investment projects, such as in mobility, thermal renovation and climate protection at the state level are expected.
- **Interest expenditure**, which has been steadily falling in absolute terms since 2012, has changed its dynamics since 2023 and continues to show double-digit growth rates in 2024 (+24.2 %). The new dynamic is linked to the increases of key interest rates of the ECB, higher risk premiums and also an increased absolute public debt after the COVID-19 crisis. Despite nominal economic growth, this leads to a steady increase in interest expenditure (in % of GDP).

In the area of **energy relief packages**, the electricity cost subsidy continues to have an effect in order to limit electricity prices for households as well as the compensation of grid loss costs, which are reflected in the subsidies. Due to the expiry of many measures and also the time allocation of the energy cost subsidy 2 to the year 2023 (based on the subsidy period according to the ESA), the expenditures for energy relief measures are declining overall in the year 2024.

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



Left axis: General government net lending / net borrowing in % of GDP
Right axis: Gross debt in % 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 20 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.[7] The next evaluation is scheduled for autumn 2024.

[7] 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 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 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

	2022	2023	2024
Short-term interest rate (annual average)	0.3	3.5	4.4
Long-term interest rate (annual average)	1.7	3.2	4.6
USD/EUR exchange rate (annual average)	1.1	1.1	1.1
Nominal effective exchange rate	-1.5	2.1	0.5
Real GDP growth (World excluding EU)	3.4	2.8	2.1
Real GDP growth (EU)	3.4	0.6	1.4
Growth of relevant Austrian foreign markets	5.7	-0.4	3.2
Import volumes (World excluding EU)			
Oil price (Brent, USD/barrel)	99	84	84
Natural gas price (Dutch TTF, €/MWh)	121	43	52
Electricity price, Austria (Base, €/MWh)	262	109	140
Electricity price, Austria (Peak, €/MWh)	276	115	161

Rounding differences may occur.

Source: WIFO

Table 2: Macroeconomic prospects

		2022	2022	2023	2024
	ESA Code	in bn €	rate of change in %		
1. Real GDP	B1*g	380.6	4.8	-0.8	1.2
2. Potential GDP		375.1	1.1	1.1	1.1
3. Nominal GDP	B1*g	447.2	10.4	7.1	5.5
			components of real GDP		
4. Private final consumption expenditure	P.3	192.3	5.7	0.8	1.8
5. Government final consumption expenditure	P.3	76.7	0.0	-2.0	0.0
6. Gross fixed capital formation	P.51g	93.0	0.1	-0.5	-0.5
7. Changes in inventories and net acquisition of valuables	P.52 + P.53	3.5	-12.1	-45.2	21.5
8. Exports of goods and services	P.6	234.5	11.2	1.6	2.6
9. Imports of goods and services	P.7	221.8	7.9	0.6	2.7
			contributions to real GDP growth		
10. Final domestic demand			2.9	-0.1	0.8
11. Changes in inventories and net acquisition of valuables[1)]	P.52 + P.53		0.0	-1.3	0.4
12. External balance of goods and services	B.11		1.9	0.6	0.0

1) incl. statistical discrepancy

Rounding differences may occur. Reference year 2015 for real values.

Sources: BMF, STAT, WIFO

Table 3: Price developments

	2022	2023	2024
			rate of change in %
1. GDP deflator	5.3	8.0	4.2
2. Private consumption deflator	7.4	7.3	4.0
3. CPI	8.6	7.7	4.0
4. Public consumption deflator	4.3	6.8	5.0
5. Investment deflator	8.0	7.0	3.1
6. Export price deflator (goods and services)	10.1	1.4	0.5
7. Import price deflator (goods and services)	14.5	-0.3	-0.1

Rounding differences may occur.

Sources: BMF, STAT, WIFO

Table 4: Labour market developments

		2022	2022	2023	2024
	ESA Code	Level			rate of change in %
1. Employment, persons		4,352,070	2.7	1.0	0.5
2. Employment, hours worked (in m)		7,200.8	2.5	0.5	0.5
3. Unemployment rate, EUROSTAT definition		221,100	4.8	5.2	5.2
4. Labour productivity, persons		87,443.2	2.0	-1.8	0.7
5. Labour productivity, hours worked		52.8	2.3	-1.3	0.7
6. Compensation of employees (in m €)	D.1	217,319.1	7.8	9.2	8.1
7. Compensation per employee		49,934.6	4.9	8.2	7.6

Rounding differences may occur.

Sources: BMF, EUROSTAT, STAT, WIFO

Table 5: Sectoral balances

		2022	2023	2024
	ESA Code			in % of GDP
1. Net lending/borrowing vis-à-vis the rest of the world	B.9	-0.3	1.5	1.9
2. Net lending/borrowing of the private sector	B.9	3.3	4.3	4.7
3. Net lending/borrowing of the general government	B.9	-3.5	-2.7	-2.7
4. Statistical discrepancy		0.0	0.0	0.0

Rounding differences may occur.

Sources: BMF, STAT, WIFO

Table 6: Budgetary targets

		2022	2023	2024
	ESA Code	in % of GDP		
		Net lending / net borrowing by sub-sector		
1. General government	S.13	-3.5	-2.7	-2.7
2. Central government	S.1311	-4.1	-2.9	-3.0
3. State governments (excl. Vienna)	S.1312	0.4	0.1	0.2
4. Local governments (incl. Vienna)	S.1313	0.2	0.0	0.0
5. Social security funds	S.1314	-0.1	0.0	0.1
6. Interest expenditure	D.41	0.9	1.2	1.4
7. Primary balance		-2.6	-1.5	-1.3
8. One-off and other temporary measures		0.0	0.0	0.0
9. Real GDP growth		4.8	-0.8	1.2
10. Potential GDP growth		1.1	1.1	1.1
11. Output gap		1.5	-0.4	-0.3
12. Cyclical budgetary component		0.8	-0.3	-0.2
13. Cyclically-adjusted balance		-4.4	-2.5	-2.5
14. Cyclically-adjusted primary balance		-3.4	-1.3	-1.1
15. Structural balance		-4.4	-2.5	-2.5

Rounding differences may occur.

Sources: BMF, STAT, WIFO

Table 7: General government debt developments

	ESA Code	2022	2023	2024
	ESA Code	in % of GDP		
1. Gross debt		78.4	76.4	76.4
2. Change in gross debt ratio (in percentage points)		-4.1	-2.0	0.0
		contributions to changes in gross debt		
3. Primary balance		-2.6	-1.5	-1.3
4. Interest expenditure	D.41	0.9	1.2	1.4
5. Stock-flow adjustment		0.1	0.5	1.2
p.m.: Implicit interest rate on debt		1.3	1.6	1.9

Rounding differences may occur.

Source: BMF

Table 8: Contingent liabilities

	2022	2023	2024
			in % of GDP
Public guarantees	15.2	13.9	13.3
of which: Central government[1)]	11.6	10.7	10.3
of which: linked to the financial sector[2)]	0.2	0.1	0.1
of which: State and Local governments	3.5	3.2	2.9
of which: linked to the financial sector[2)]	0.8	0.7	0.6

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 from 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. Rounding differences may occur.

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

Sources: BMF, State governments, STAT, WIFO

Table 9: Budgetary prospects

		2022	2023	2024
	ESA Code			in % of GDP
				General government
1. Total revenue	**TR**	**49.6**	**49.1**	**49.3**
1.1. Taxes on production and imports	D.2	13.8	13.8	13.9
1.2. Current taxes on income, wealth, etc.	D.5	14.4	13.6	13.6
1.3. Capital taxes	D.91	0.01	0.01	0.00
1.4. Social contributions	D.61	15.2	15.3	15.6
1.5. Property income	D.4	0.7	0.8	0.7
1.6. Other		5.5	5.5	5.4
p.m.: Tax burden		43.6	43.0	43.4
2. Total expenditure	**TE**	**53.2**	**51.8**	**52.0**
2.1. Compensation of employees	D.1	10.4	10.5	10.9
2.2. Intermediate consumption	P.2	7.2	6.7	6.5
2.3. Social payments	D.62, D.632	22.5	22.5	23.3
of which: Unemployment benefits		1.2	1.1	1.2
2.4. Interest expenditure	D.41	0.9	1.2	1.4
2.5. Subsidies	D.3	2.7	2.5	1.7
2.6. Gross fixed capital formation	P.51g	3.4	3.6	3.5
2.7. Capital transfers	D.9	0.9	1.2	1.1
2.8. Other		5.1	3.6	3.6

Rounding differences may occur.

Source: BMF

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

		2022	2023	2024
	ESA Code			**in % of GDP**
				General government
1. Total revenue	**TR**	**49.6**	**49.0**	**49.3**
1.1. Taxes on production and imports	D.2	13.8	13.7	13.9
1.2. Current taxes on income, wealth etc.	D.5	14.4	13.6	13.6
1.3. Capital taxes	D.91	0.0	0.0	0.0
1.4. Social contributions	D.61	15.2	15.3	15.6
1.5. Property income	D.4	0.7	0.8	0.7
1.6. Other		5.5	5.5	5.5
p.m.: Tax burden		43.6	42.9	43.3
2. Total expenditure	**TE**	**53.2**	**51.8**	**51.5**
2.1. Compensation of employees	D.1	10.4	10.5	10.8
2.2. Intermediate consumption	P.2	7.2	6.7	6.4
2.3. Social payments	D.62, D.632	22.5	22.5	23.2
of which: Unemployment benefits		-	-	-
2.4. Interest expenditure	D.41	0.9	1.2	1.4
2.5. Subsidies	D.3	2.7	2.5	1.7
2.6. Gross fixed capital formation	P.51g	3.4	3.6	3.5
2.7. Capital transfers	D.9	0.9	1.2	1.1
2.8. Other		5.1	3.6	3.5

Rounding differences may occur.

Source: BMF

Table 11: Amounts to be excluded from the expenditure benchmark

	2022	2022	2023	2024
	in bn €			**in % of GDP**
1. Expenditure on EU programmes fully matched by EU funds revenue	1.0	0.2	0.3	0.2
of which investments fully matched by EU funds revenue	0.6	0.1	0.2	0.1
2. Cyclical unemployment benefit expenditure at unchanged policies	-0.7	-0.2	0.0	0.0
3. Effects of discretionary revenue measures	-1.4	-0.3	-0.2	0.4
4. Revenue increases mandated by law	0.0	0.0	0.0	0.0

Rounding differences may occur.

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 latest Stability Programme (April 2023)

	ESA Code	2022	2023	2024
		in % of GDP		
General government net lending/net borrowing	B.9			
SP April 2023		-3.2	-3.2	-1.6
DBP October 2023		-3.5	-2.7	-2.7
Difference		*-0.3*	*0.5*	*-1.1*
General government net lending/net borrowing ("no-policy change"-assumption)				
SP April 2023		-3.2	-2.0	-1.4
DBP October 2023		-3.5	-2.8	-2.2
Difference		-0.3	-0.8	-0.8
Gross debt				
SP April 2023		78.4	77.0	75.1
DBP October 2023		78.4	76.4	76.4
Difference		*0.1*	*-0.5*	*1.4*
Gross debt ("no-policy change"-assumption)				
SP April 2023		78.4	75.8	73.8
DBP October 2023		78.4	76.5	76.0
Difference		0.1	0.7	2.2
Structural balance	B.9			
SP April 2023		-3.9	-3.2	-1.8
DBP October 2023		-4.4	-2.5	-2.5
Difference		*-0.5*	*0.7*	*-0.7*

Rounding differences may occur.

Sources: BMF, STAT, WIFO

Table 13: Quarterly budgetary execution in 2023 in accordance with ESA standards (in million euro)

	ESA Code	Q1	Q2
		General government	
1. Net lending/net borrowing	S.13	-6,634	-3,004
2. Total revenue	TR	51,880	60,537
3. Total expenditure	TE	58,515	63,541

Rounding differences may occur.

Source: STAT

Table 14: Country specific recommendations

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

Table 15: Discretionary measures (in million euro)

		2022	2023	2024
Measures[1]	**ESA Code**		**in m €**	
General agreement on the fiscal equalisation scheme[2]				**1,900**
	D.7			633
	D.1			317
	P.2			317
	D.63			317
	D.9			317
Other new measures and updates		**1,560**	**4,628**	**1,461**
Additional pysicians (covered by health insurance)	D.63			60
Living and Housing Cost Compensation Act	D.62/D.7			276
Compensation grid loss costs	D.3		500	50
Electricity cost subsidy (for households)	D.3	222	1,400	570
Energy cost subsidy I, II and lump-sum subsidy model (for firms)	D.3	786	1,900	
Energy cost subsidy NPOs and self employed	D.3/D.7		110	
Chips Act	D.3			160
E-mobility (additional funds)	D.3			125
Climate ticket 18-year-olds and additional funds climate ticket	several			225
Toll revenues	D.7 revenue			-105
Energy crisis contribution	D.2/D.5 revenue	-48	-252	-50
Reduction energy tax (incl. extension until the end of 2023)	D.2 revenue	600	970	-190
VAT reduction photovoltaic systems	D.2 revenue			250
Unemployment insurance contribution reduction	D.62 revenue			90
Strategic gas reserve (incl. storage costs)	P.52/P.2	**3,831**	**100**	**100**
Admission of Ukrainian refugees[3]	D.63/D.7/(D.1)	***550***	***550***	***400***
Sum in total		**5,941**	**5,278**	**3,861**
in % of GDP		**1.3**	**1.1**	**0.8**

Rounding differences may occur.

1) Excluding measures which are funded by RRF-funds. Table comprises exclusively federally funded measures.

2) General government perspective, gradual absorption, provisional allocation to ESA categories based on general agreement on the fiscal equalisation scheme as of 2024

3) 2022-2023: roughly 55.000, from 2024: 45.000 refugees (basic care according to current daily rate)

Source: BMF

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

Measures[1)]	ESA Code	2020	2021	2022	2023	2024
						Budgetary impact
Selected COVID measures						
COFAG (fixed-cost subsidy, turnover substitute, ...)[2)]	D.3	6,224	8,659	1,035		
COVID-19 guarentees (expenditure for)	D.9	5	12	85	50	40
Short-time work scheme[2)]	D.3	6,059	3,132	435		
Season starting aid	D.3			90		
NPO support fund[2)]	D.7	238	411	125	17	
Medical equipment, masks, tests	P.2	350	529	269	10	10
Special Purpose Grants Act (1450, protective equipment)	P.2	363	1244	891	300	10
Vaccination procurement (incl. medicine)[2)]	P.2	50	480	736	256	48
Test strategy tourism, testing in companies	P.2/D.3	44	180	86		
Epidemic Law[2)]	P.2/D.3	110	1,100	2,604	570	400
Hardship fund [2)]	D.62	895	1,278	242		
Transfers to Social Security Funds (protective equipment, vaccination, testing, etc.)[2)]	D.63	106	1,135	833	212	88
Total		**14,444**	**18,158**	**7,430**	**1,415**	**596**
in % of GDP		**3.8**	**4.5**	**1.7**	**0.3**	**0.1**

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: COVID-19 liabilities (in million euro)

As of 30 September 2023	Assumed liabilities[1)]	Cumulative claims 2020-2023[2)]
aws SME Promotion Act (aws KMU-FG)	2,494	
aws Guarantee Act 1977 (aws GG)	323	121
OeHT SME Promotion Act (OeHT KMU-FG)	654	
OeKB Special Framework KRR (Kontrollbank Refin. Fw.)	54	1
OeKB 90 %	248	14
Total COVID-19 liabilities[3)]	**3,773**	**136**

1) Liability levels as of 30 September 2023. The liability levels are net of terminated liabilities and are to be considered preliminary. They might differ marginally from publications in other reports due to subsequent reviews of the Ministry of Finance. In the figure of the assumed liabilites of the OeHT SME Promotion Act one fraction value is as of 31 March 2023.

2) As of 30 September 2023. Figures of cumulative claims of aws KMU-FG, aws GG and OeHT KMU-FG represent cash outflows from the administrative federal budget to reimburse aws and OeHT. Due to, for example, return flows to aws and OeHT actual claims might differ from this figure.

3) Excluding assumptions of liabilities for travel service providers

Administrative agencies: aws - Austrian Promotional Bank GmbH, OeHT - Austrian Hotel and Tourism Bank GmbH, OeKB - Oesterreichische Kontrollbank AG

Sources: aws, COFAG, OeHT, OeKB

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

	2020	2021	2022	2023	2024
RRF GRANTS as included in the revenue projections*		348.7	753.8	983.5	504.1
Cash disbursements of RRF GRANTS from EU		450.0		700.0	1,664.1

*RRF grants in 2021 include grants for 2020. 83.4 % of planned RRF expenditure is reflected in RRF revenue projections. Rounding differences may occur.

Sources: BMF, STAT

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

	ESA Code	2020	2021	2022	2023	2024
Compensation of employees	D.1	-	53.0	51.0	15.8	15.7
Intermediate consumption	P.2	-	148.3	280.7	121.2	52.5
Social payments	D.62, D.632	-	0.6	6.7	32.0	22.5
Interest expenditure	D.41	-	-	-	-	-
Subsidies, payable	D.3	6.7	3.1	42.2	184.0	109.0
Current transfers	D.7	-	-	0.2	32.5	5.0
Total current expenditure		**6.7**	**204.9**	**380.8**	**385.4**	**204.7**
Gross fixed capital formation	P.51g	78.8	96.0	121.3	171.4	114.3
Capital transfers	D.9	-	31.8	401.7	622.5	285.5
Total capital expenditure		**78.8**	**127.8**	**523.0**	**793.9**	**399.7**
RRF co-financed expenditure		**85.5**	**332.7**	**903.8**	**1,179.3**	**604.4**

2020-2022: Budget Execution. From 2023 onwards, planned values without carry-overs.

Source: BMF

Table 20: Comparison of macroeconomic and budgetary forecasts

	2022	2023	2024
			Real GDP Growth
WIFO	4.8	-0.8	1.2
European Commission	5.0	0.4	1.6
OeNB	4.9	0.5	1.7
IHS	4.8	-0.4	0.9
			Inflation
WIFO (CPI)	8.6	7.7	4.0
WIFO (HICP)	8.6	7.5	3.7
European Commission (HICP)	8.6	7.1	3.8
OeNB (HICP)	8.6	7.4	4.1
IHS (HICP)	8.6	7.8	4.2
			Unemployment Rate (Eurostat)
WIFO	4.8	5.2	5.2
European Commission	4.8	4.9	5.0
OeNB	4.8	5.0	4.8
IHS	4.8	5.2	5.5
			General government net lending/borrwing in % of GDP
BMF	-3.5	-2.7	-2.7
WIFO	-3.5	-2.4	-1.6
European Commission	-3.2	-2.4	-1.3
OeNB	-3.2	-2.6	-1.9
IHS	-3.5	-3.0	-1.9
Austrian Fiscal Advisory Council	-3.2	-2.5	-1.3
			Gross debt in % of GDP
BMF	78.4	76.4	76.4
WIFO	78.4	75.8	73.6
European Commission	78.4	75.4	72.7
OeNB	78.4	75.2	72.7
IHS			
Austrian Fiscal Advisory Council	78.4	76.7	74.2

Direct comparability may not always be possible due to different definitions. Rounding differences may occur.

Sources:

BMF, October 2023

WIFO, October 2023

European Commission, Spring Forecast 2023

OeNB, June 2023

IHS, October 2023

Austrian Fiscal Advisory Council, June 2023

Table 21: Overview of milestones/targets in the Austrian RRP with target date until Q3/2024

Milestone/Target	Measure	Milestone/Target Name	Target Date	Status
AT-C[C1]-R[1A1]-M[1]	1.A.1 Renewable Heat Act	Entry into force of Renewable Heating Law	Q1/2022	Not completed
AT-C[C1]-R[1A1]-M[2]	1.A.1 Renewable Heat Act	Training for energy consultants	Q4/2022	Completed
AT-C[C1]-I[1A2]-T[3]	1.A.2 Promoting the exchange of oil and gas heating systems	Replacement of heating systems	Q4/2021	Completed
AT-C[C1]-I[1A2]-T[4]	1.A.2 Promoting the exchange of oil and gas heating systems	Replacement of heating systems	Q4/2023	Completed
AT-C[C1]-I[1A3]-M[6]	1.A.3 Combating energy poverty	Determination of funding priorities	Q1/2022	Completed
AT-C[C1]-I[1A3]-T[7]	1.A.3 Combating energy poverty	Thermal renovation projects approved	Q4/2023	Delayed*
AT-C[C1]-R[1B1]-M[9]	1.B.1 Mobility Masters Plan 2030	Implementation of the Mobility Masterplan has started	Q3/2023	Not completed
AT-C[C1]-R[1B2]-M[11]	1.B.2 Introduction of 1-2-3 climate ticket	Entry into force of law	Q3/2021	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	Q4/2021	Completed
AT-C[C1]-I[1B3]-M[13]	1.B.3 Zero-emission buses	Launch of the zero-emission buses support programme	Q1/2022	Completed
AT-C[C1]-I[1B4]-M[17]	1.B.4 Zero-emission utility vehicles	Launch of the support programme	Q1/2021	Completed
AT-C[C1]-I[1B5]-M[21]	1.B.5 Construction of new railways and electrification of regional railways	Ongoing construction project	Q1/2020	Completed
AT-C[C1]-I[1B5]-M[22]	1.B.5 Construction of new railways and electrification of regional railways	Electrification	Q4/2023	On-track
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	Q4/2021	Completed

AT-C[C1]-R[1C1]-M[25]	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 implementing regulation	Q1/2023	Completed
AT-C[C1]-I[1C2]-M[27]	1.C.2 Biodiversity fund	Entry into force of the legal framework for Biodiversity Fund	Q1/2022	Completed
AT-C[C1]-I[1C2]-M[28]	1.C.2 Biodiversity fund	Completion of the call for projects to restore priority degraded ecosystems and protect endangered species and habitats	Q1/2023	Completed
AT-C[C1]-I[1C3]-T[30]	1.C.3 Investments in reverse vending systems and measures to increase the reuse quota of beverage containers	Take-back systems	Q1/2024	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	Q3/2022	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	Q1/2022	Completed
AT-C[C1]-I[1C5]-T[36]	1.C.5 Promotion of the repairing of electrical and electronic equipment (repair bonus)	Repaired or renewed electrical or electronic equipment	Q1/2024	Completed
AT-C[C1]-R[1D1]-M[38]	1.D.1 Renewable Expansion Law	Entry into force of the Renewables Expansion Law	Q4/2021	Completed
AT-C[C1]-R[1D1]-T[39]	1.D.1 Renewable Expansion Law	Additional renewable electricity generation capacity	Q4/2023	On-track
AT-C[C1]-I[1D2]-M[41]	1.D.2 Transforming industry towards climate neutrality	Adoption of regulatory criteria and funding guidelines	Q3/2021	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	Q4/2021	Completed
AT-C[C2]-R[2A1]-M[45]	2.A.1 Set-up of Platform Internet-infrastructure Austria (PIA) 2030	Implementation of the measures developed by the Platform to reduce red tape and simplify procedures for broadband deployment	Q4/2023	Delayed
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	Q3/2022	Not completed*
AT-C[C2]-I[2A2]-T[47]	2.A.2 Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections	Provision of broadband access to 48% of households	Q3/2024	Delayed*

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	Q1/2021	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	Q3/2021	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	Q2/2021	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	Q4/2021	Completed
AT-C[C2]-I[2B2]-T[54]	2.B.2 Provision of digital end-user devices to pupils	Digital devices for the remaining grades of lower secondary school	Q4/2023	On-track
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.	Q3/2021	Completed
AT-C[C2]-R[2C1]-M[57]	2.C.1 Proposed legislation for Once Only. Amendment of the Business Service Portal Act	Linking registries to the Register and Systems Network (RSV), preparation of Single Digital Gateway (SDG), start of the Information Obligation Database (IVDB) by Ministries	Q4/2022	Completed
AT-C[C2]-R[2C1]-M[58]	2.C.1 Proposed legislation for Once Only. Amendment of the Business Service Portal Act	Establishing the Once Only technical system connection	Q4/2023	Delayed
AT-C[C2]-I[2C2]-M[59]	2.C.2 Digitalisation fund public administration	Entry into force of the Digitalisation Fund Act	Q2/2021	Completed
AT-C[C2]-I[2C2]-M[60]	2.C.2 Digitalisation fund public administration	Projects selected	Q2/2022	Completed
AT-C[C2]-I[2C2]-T[61]	2.C.2 Digitalisation fund public administration	Completion of the funded projects regarding digitalisation of public administration	Q4/2023	Delayed
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	Q1/2021	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	Q1/2021	Completed
AT-C[C2]-I[2D1]-T[64]	2.D.1 Digitalisation of SMEs	Completion of SME digitalisation projects	Q4/2023	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	Q2/2021	Completed

		the budget increase as a result of the RRP		
AT-C[C2]-I[2D2]-T[66]	2.D.2 Digital investment in enterprises	Digitalisation investments in at least 3 000 companies under the RRP	Q1/2023	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	Q2/2021	Completed
AT-C[C2]-I[2D3]-T[69]	2.D.3 Green investments in enterprises	Investments in e-mobility	Q4/2023	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	Q4/2021	Completed
AT-C[C3]-I[3A3]-M[78]	3.A.3 Austrian Institute of Precision Medicine	Ministerial planning approval (BMBWF & BMF)	Q2/2022	Completed
AT-C[C3]-I[3A3]-M[79]	3.A.3 Austrian Institute of Precision Medicine	Start of construction of the Institute of Precision Medicine	Q4/2023	On-track
AT-C[C3]-I[3A4]-M[81]	3.A.4 (Digital) Research Infrastructures	Award decision for grants to universities investing in digital research infrastructure	Q4/2022	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	Q4/2020	Completed
AT-C[C3]-R[3B1]-T[85]	3.B.1 Education bonus	Education bonuses disbursed	Q4/2021	Completed
AT-C[C3]-R[3B1]-M[86]	3.B.1 Education bonus	Education bonus measure evaluated	Q1/2022	Completed
AT-C[C3]-R[3B1]-M[87]	3.B.1 Education bonus	Ensuring the preconditions for re- and upskilling	Q4/2020	Completed
AT-C[C3]-I[3B2]-M[88]	3.B.2 Promoting re-skilling and up-skilling	First annual overview	Q1/2022	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	Q2/2021	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	Q4/2021	Completed
AT-C[C3]-I[3C2]-M[94]	3.C.2 Remedial education package	Evaluation of the additional teaching staff deployment	Q1/2022	Completed

AT-C[C3]-I[3C3]-T[95]	3.C.3 Expansion of elementary education	Increasing rates of childcare for children under three years of age	Q4/2023	On-track
AT-C[C3]-I[3C3]-T[96]	3.C.3 Expansion of elementary education	Increasing rates of early childhood education for children aged three to six compatible with full-time employment of parents	Q4/2023	On-track
AT-C[C3]-I[3D1]-M[97]	3.D.1 IPCEI Microelectronics and Connectivity	Climate-related eligibility criteria established in call documents	Q4/2021	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	Q4/2021	Completed
AT-C[C3]-I[3D1]-T[99]	3.D.1 IPCEI Microelectronics and Connectivity	At least 66 % of approved projects started	Q2/2024	On-track
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	Q3/2021	Completed
AT-C[C3]-I[3D2]-T[102]	3.D.2 IPCEI Hydrogen	At least 66 % of approved projects started	Q2/2024	On-track
AT-C[C4]-R[4A1]-M[104]	4.A.1 Enhancing primary health care	Platform on primary health care and related measures	Q4/2022	Completed
AT-C[C4]-R[4A1]-T[105]	4.A.1 Enhancing primary health care	Promotional events in the context of the platform/incubator programme	Q4/2023	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	Q4/2021	Completed
AT-C[C4]-I[4A2]-T[108]	4.A.2 Funding of primary health care projects	Funding of primary health care projects	Q4/2023	On-track
AT-C[C4]-I[4A3]-M[111]	4.A.3 Development of the electronic mother child pass platform including the interfaces to the early aid networks	Entry into force of the law defining the framework for the electronic 'mother-child pass'	Q2/2023	Completed
AT-C[C4]-I[4A3]-M[112]	4.A.3 Development of the electronic mother child pass platform including the interfaces to the early aid networks	Award of the electronic 'mother child pass' platform programming contract	Q4/2023	On-track
AT-C[C4]-I[4A4]-M[114]	4.A.4 National roll-out of 'early aid' for socially disadvantaged pregnant women, their young children and families	Identification and entrustment of the implementation bodies	Q4/2022	Completed
AT-C[C4]-I[4A4]-T[115]	4.A.4 National roll-out of 'early aid' for socially disadvantaged	National roll-out of 'early aid'	Q3/2023	Completed

	pregnant women, their young children and families			
AT-C[C4]-I[4A4]-T[116]	4.A.4 National roll-out of ‘early aid’ for socially disadvantaged pregnant women, their young children and families	National roll-out of ‘early aid’	Q3/2024	On-track
AT-C[C4]-R[4B1]-M[117]	4.B.1 Soil protection strategy	Adoption of a road map for the Austrian soil protection strategy	Q4/2021	Completed
AT-C[C4]-R[4B1]-M[118]	4.B.1 Soil protection strategy	Adoption of the Austrian quantitative soil protection strategy	Q4/2022	Not 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,	Q3/2021	Completed
AT-C[C4]-R[4B2]-M[120]	4.B.2 Reform to further develop care provision	Principles for the implementation of long-term care target based governance (Zielsteuerung Pflege) are established	Q4/2022	Completed
AT-C[C4]-R[4B2]-M[121]	4.B.2 Reform to further develop care provision	Start implementing the core elements of the reform of long-term care provision	Q1/2024	On-track
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	Q3/2021	Completed
AT-C[C4]-I[4B3]-T[123]	4.B.3 Investment in climate-friendly town centres	Thermal refurbishment projects completed	Q4/2023	Delayed*
AT-C[C4]-I[4B3]-T[125]	4.B.3 Investment in climate-friendly town centres	Green façades projects completed	Q4/2023	Delayed*
AT-C[C4]-I[4B3]-T[127]	4.B.3 Investment in climate-friendly town centres	Projects for the connection to high-efficiency district heating completed	Q4/2023	Delayed*
AT-C[C4]-I[4B3]-T[129]	4.B.3 Investment in climate-friendly town centres	Brownfield land projects completed	Q4/2023	On-track
AT-C[C4]-I[4B4]-T[131]	4.B.4 Investment in the implementation of community nurses	Start of community nurses work	Q3/2021	Completed
AT-C[C4]-I[4B4]-M[132]	4.B.4 Investment in the implementation of community nurses	Interim evaluation	Q4/2022	Completed
AT-C[C4]-R[4C1]-M[134]	4.C.1 Development of a building culture programme	Fourth Building Culture report	Q3/2021	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	Q1/2022	Completed
AT-C[C4]-R[4C2]-M[136]	4.C.2 Develop a national digitalisation strategy for cultural heritage	Decision of the Ministry for Culture (BMOESK) on the	Q1/2023	Completed

		strategy for the digitalisation of cultural heritage		
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	Q4/2021	Completed
AT-C[C4]-I[4C3]-M[138]	4.C.3 Renovation Volkskundemuseum Wien and Prater Ateliers	Reopening of Prater Ateliers	Q2/2024	Delayed*
AT-C[C4]-I[4C4]-M[140]	4.C.4 Digitalisation wave cultural heritage	'Kulturpool pool Neu' — web-based data aggregation platform from different cultural heritage institutions	Q1/2023	Not 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	Q4/2021	Completed
AT-C[C4]-I[4C5]-M[144]	4.C.5 Investment fund for climate-friendly cultural businesses	First call for expressions of interest	Q2/2022	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.	Q3/2022	Completed
AT-C[C4]-R[4D1]-M[147]	4.D.1 Spending review focusing on green and digital transformation	Spending Review 'Identifying synergies with the funding landscape of the Länder'	Q2/2023	Completed
AT-C[C4]-R[4D1]-M[151]	4.D.1 Spending review focusing on green and digital transformation	Spending Review 'Further advancement of digitalisation in public administration'	Q3/2023	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)	Q4/2020	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)	Q1/2022	Completed
AT-C[C4]-R[4D3]-M[154]	4.D.3 Pension splitting	Legislative proposal	Q2/2022	Not completed
AT-C[C4]-R[4D3]-M[155]	4.D.3 Pension splitting	Entry into force of the law introducing automatic pension splitting	Q4/2022	Not 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	Q4/2021	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	Q2/2022	Not 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	Q2/2021	Completed
AT-C[C4]-R[4D5]-M[159]	4.D.5 Eco-social tax reform	Entry into force of the eco-social tax reform	Q1/2022	Completed
AT-C[C4]-R[4D6]-M[160]	4.D.6 Green Finance (Agenda)	Green Finance Agenda	Q1/2022	Completed
AT-C[C4]-R[4D6]-M[161]	4.D.6 Green Finance (Agenda)	Use of quantitative and qualitative indicators to measure the achievement of implementation	Q4/2022	Not completed
AT-C[C4]-R[4D7]-M[162]	4.D.7 National Financial Education Strategy	Strategy document	Q3/2021	Completed
AT-C[C4]-R[4D7]-M[163]	4.D.7 National Financial Education Strategy	Finalisation of the Competence Framework for financial education	Q4/2022	Completed
AT-C[C4]-R[4D8]-M[164]	4.D.8 Start-up package	Entry into force of the start-up package	Q1/2022	Not completed
AT-C[C4]-R[4D9]-M[165]	4.D.9 Strengthening equity capital	Decree on the conversion of state guaranteed loans into equity	Q3/2021	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)	Q1/2022	Completed
AT-C[C4]-R[4D10]-M[167]	4.D.1 Spending review focusing on green and digital transformation	Conceptual development	Q3/2021	Completed
AT-C[C4]-R[4D10]-M[168]	4.D.1 Spending review focusing on green and digital transformation	Start of operations	Q1/2022	Completed
AT-C[C4]-R[4D11]-M[169]	4.D.1 Spending review focusing on green and digital transformation	Entry into force of the occasional transport act	Q1/2021	Completed
AT-C[C4]-R[4D11]-M[170]	4.D.1 Spending review focusing on green and digital transformation	Exemption of recharging points for electric motor vehicles and photovoltaic systems in commercial installations from authorisation requirements.	Q1/2021	Completed
AT-C[C4]-R[4D11]-M[171]	4.D.1 Spending review focusing on green and digital transformation	Entry into force of the Grace Period Act	Q1/2022	Not completed
Not completed/Delayed* = Milestone/Target is being amended with the revision of the Austrian RRP. Source: Extract from FENIX database.				

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