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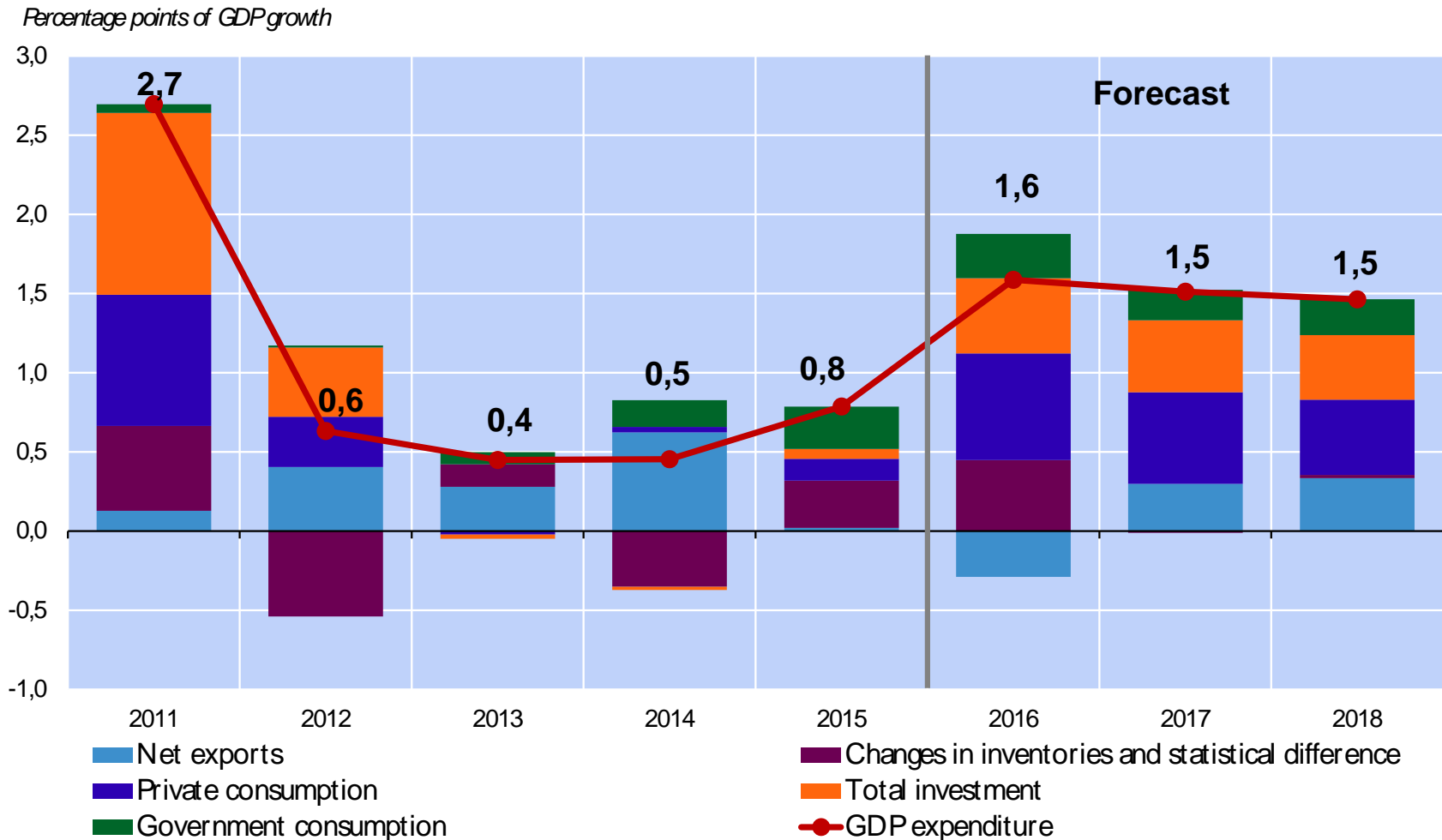
# Schwerpunkt Außenwirtschaft 2015/16

*Austrian economic activity, Austria's price competitiveness  
and a summary on external trade*

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## 2016: End of four year period with subdued economic growth



Source: WIFO, OeNB

## Main results from the OeNB-June forecast for Austria: After four weak years economic revival in 2016

	2015	2016	2017	2018
	<i>Change to previous year in %</i>			
<b>GDP</b>	0,8	1,6	1,5	1,5
Private consumption	0,3	1,3	1,1	0,9
Government consumption	1,3	1,4	1,0	1,1
Total investment	0,3	2,1	2,0	1,8
Exports	2,1	3,4	3,9	4,2
Imports	2,2	4,3	3,6	3,9
<b>Contributions to real GDP grow</b>	<i>in percentage points</i>			
Domestic Demand	0,5	1,4	1,2	1,1
Net exports	0,0	-0,3	0,3	0,3
Changes in inventories (+ stat. discrepancy)	0,3	0,4	0,0	0,0
	<i>in %</i>			
<b>HICP</b>	0,8	1,0	1,7	1,9
<b>Unemployment rate (in %)</b>	5,7	6,0	6,1	6,0
	<i>Change to previous year in %</i>			
<b>Employees</b>	1,1	1,5	1,1	1,0
	<i>in % of GDP</i>			
<b>Current Account</b>	2,6	2,8	3,1	3,4
<b>Government Balance</b>	-1,2	-1,8	-1,5	-1,1

Source: WIFO, OeNB.

- **Growth acceleration in 2016**
- **Domestic demand** as growth driver:
  - Income tax reform and expenditures related with refugees
  - Equipment investment responsible for investment cycle
- **Employment and unemployment** rise in 2016/17
- **Inflation** grows with 1% in 2016; clear acceleration in 2017/18
- **Downward revision of GDP-forecast** since December-forecast due to weaker special effects:
  - (-) refugees
  - (-) Housing initiative
  - (+) Monetary policy packages reduce need to further downward revisions

## Special factors determine GDP-forecast with restrained underlying economic activity

	2015	2016	2017	2016	2017
	<i>Contributions to growth of real GDP in pp</i>			<i>Diff. to Dec. forecast in pp</i>	
Underlying dynamics	0,6	1,0	1,2	-0,1	-0,2
Additional Monetary Policy	0,0	0,1	0,1	+0,1	+0,1
Tax reform	0,0	0,4	0,1	0,0	0,0
Reception of asylum seekers	0,2	0,2	0,1	-0,1	-0,1
Housing initiative	0,0	0,0	0,1	-0,1	0,0
	<i>Change to previous year in %</i>				
GDP, real	0,8	1,6	1,5	-0,3	-0,3

Source: OeNB

Remark: 1) Monetary policy include solely the effects from the December 2015 and March 2016 decisions, sentiment effects are not included; all values rounded.

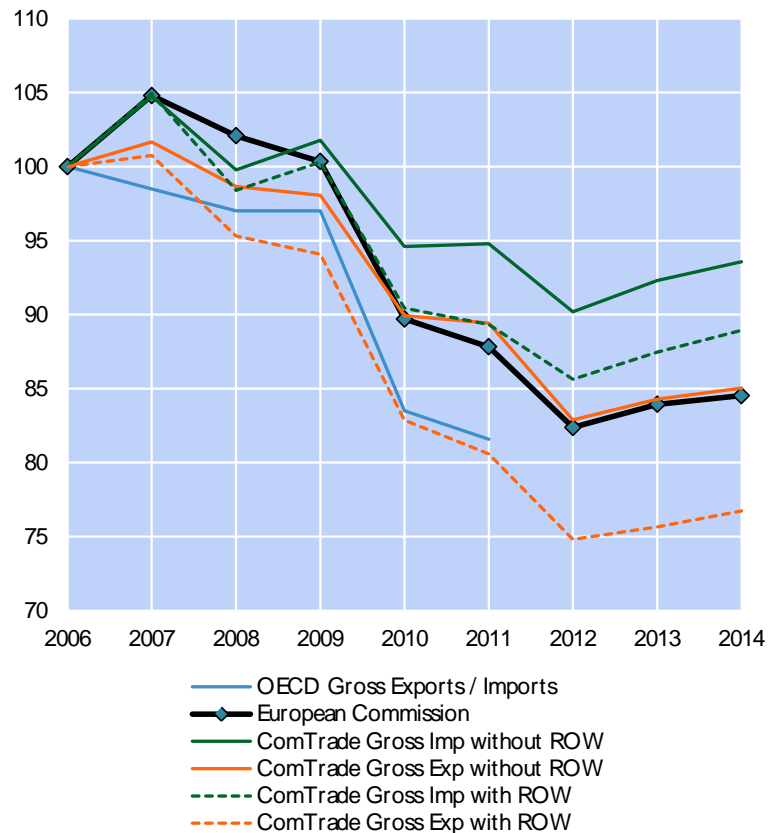
- **Underlying economic dynamics** deteriorates against expectations from December
- **Income tax reform** boosts growth mainly in 2016
- **Expenditures for refugees** support growth, however, weaker than expected in December
- **Housing initiative:** positive growth effect now starting in 2017
- **Monetary policy** yields to small positive growth effect in Austria

# Different calculation methods and different data sources imply different market shares ...

## Market share developments: Different data sources and different calculation methods

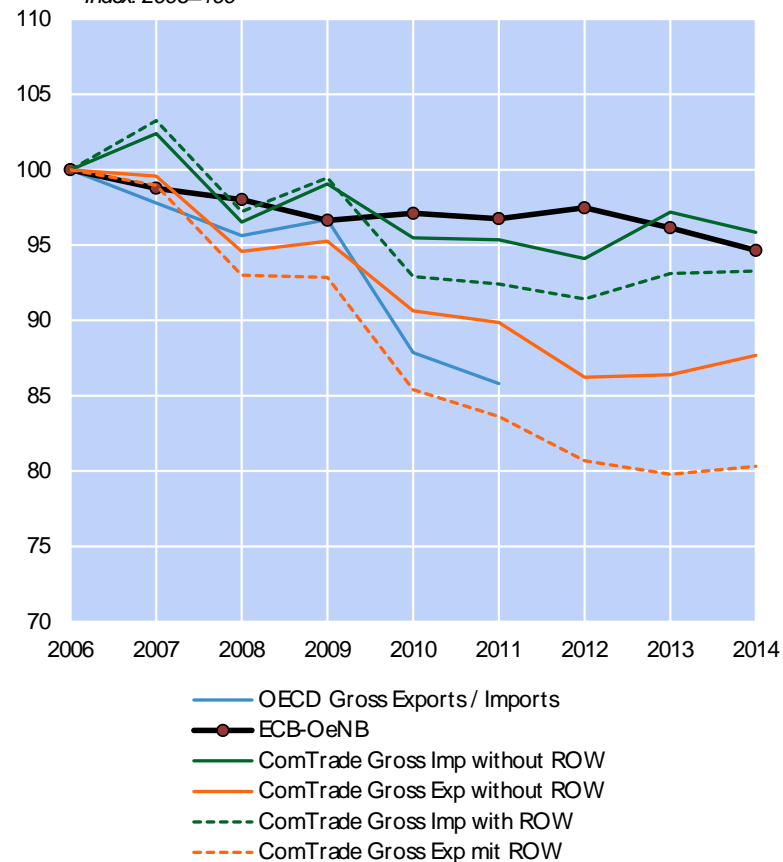
### Unweighted

Index: 2006=100



### Weighted

Index: 2006=100



Source: EC, ECB, UN Comtrade, OECD, OeNB

## ... and which method is the correct one?

### Method of calculation

unweighted

weighted



### Data

Scope

Goods

G+S



X or M

Exports

Imports



Prices

nominal

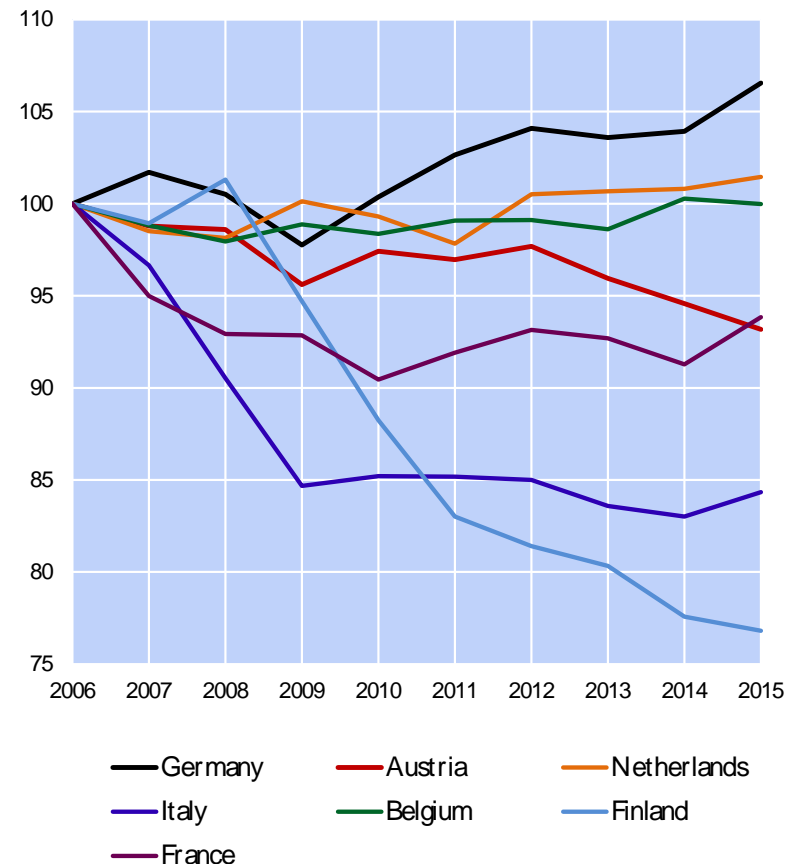
real



- There is no perfect method
- OeNB / ECB method corresponds most closely to reality, therefore for us this method is BEST PRACTICE
- Thus, Austria lost market shares between 2006 und 2009 and has lost further since **2012**

### Market shares - Best Practice Methode

Index: 2006=100



Source: ECB, Eurostat.