

■ TEMPORARY SLOWDOWN IN ECONOMIC GROWTH

ECONOMIC OUTLOOK FOR 2001 AND 2002

The slackening of the business cycle in the USA and the consequences of the rise in oil prices are set to dampen economic growth in the months to come. Following the strong cyclical upturn in 2000 (+3.3 percent), demand and output in Austria are expected to expand by a more moderate 2.6 percent in 2001, before re-gaining momentum in 2002. The somewhat slower pace of activity will still allow unemployment to decline further. Inflation is also likely to abate markedly, if the most recent moves to a downward trend in both oil prices and the dollar exchange rate are confirmed.

The strong upturn in the Austrian business cycle is being held back after only one year by the effects of higher oil prices and a weakening of demand and output in the USA. Domestic activity attained a peak last summer, but has clearly lost strength since. Gross Domestic Product (GDP) in the third quarter 2000 grew by just over 2 percent year-on-year, following a rate of 4 percent growth in the first six months. The income transfer towards oil producing countries has taken its toll on private consumption as well as on business investment.

Activity in the USA is increasingly reacting to higher energy costs and to monetary restriction. The „landing“ of the economy after the extended boom could be less „soft“ than expected so far. A slowdown in economic growth in 2001 should also be expected in Europe, where the recovery started only in 1999-2000. Oil prices, though expected to soften, may still exceed their 1999 level by some 50 percent.

Owing to the less favourable international environment, economic growth in Austria is projected to decelerate from 3.3 percent (2000) to 2.6 percent in 2001. The expected weakening of export and investment demand may slow manufacturing output growth from 6½ to 4½ percent.

By 2002, the slowdown in the international business cycle should be overcome as a result of a more expansionary stance of monetary and fiscal policy in the USA. In the EU, and in Austria, growth should pick up again somewhat.

Economic developments are also reflected in public finances. Thus, cyclical strength in 2000 contributed significantly towards the lowering of the govern-

Main results

	1998	1999	2000	2001	2002
	Percentage changes from previous year				
GDP					
Volume	+ 3.3	+ 2.8	+ 3.3	+ 2.6	+ 2.8
Value	+ 4.0	+ 3.7	+ 4.6	+ 4.1	+ 4.1
Manufacturing ¹⁾ , volume	+ 4.4	+ 2.4	+ 6.5	+ 4.5	+ 5.0
Private consumption expenditure, volume	+ 2.9	+ 2.3	+ 2.7	+ 2.0	+ 2.3
Gross fixed investment, volume	+ 2.7	+ 3.2	+ 3.7	+ 2.3	+ 3.1
Machinery and equipment ²⁾	+ 5.2	+ 4.6	+ 6.0	+ 4.0	+ 5.0
Construction	+ 0.9	+ 2.2	+ 2.0	+ 1.0	+ 1.5
Exports of goods ³⁾					
Volume	+ 8.1	+ 7.7	+12.0	+ 7.0	+ 8.0
Value	+ 8.4	+ 7.0	+15.9	+ 9.7	+10.7
Imports of goods ³⁾					
Volume	+ 7.1	+ 6.9	+ 7.0	+ 6.0	+ 7.0
Value	+ 6.6	+ 6.7	+13.4	+ 8.1	+ 9.7
Current balance	(billion ATS) -64.5	-75.1	-84.7	-69.7	-60.8
	(billion Euro)	- 5.5	- 6.2	- 5.1	- 4.4
As a percentage of GDP	(%) - 2.5	- 2.8	- 3.0	- 2.4	- 2.0
Long-term interest rate ⁴⁾	(%) 4.7	4.7	5.6	5.3	5.2
Consumer prices	+ 0.9	+ 0.6	+ 2.4	+ 1.5	+ 1.3
Unemployment rate					
Percent of total labour force ⁵⁾	(%) 4.5	3.8	3.3	3.2	3.2
Percent of dependent labour force ⁶⁾	(%) 7.2	6.7	5.9	5.3	5.2
Dependent employment ⁷⁾	+ 1.0	+ 1.2	+ 1.0	+ 0.8	+ 0.9
General government financial balance					
As a percentage of GDP	(%) - 2.3	- 2.1	- 1.4	- 0.8	± 0.0

¹⁾ Value added, including mining and quarrying. - ²⁾ Including other products. - ³⁾ According to Statistics Austria. - ⁴⁾ 10-year central government bonds (benchmark). - ⁵⁾ According to Eurostat. - ⁶⁾ According to Labour Market Service. - ⁷⁾ Excluding parental leave and military service.

ment deficit. Expenditure restraint is obviously more effective when revenues from taxes and social contributions grow comfortably, the number of unemployed falls and the social insurance funds swing to financial surplus.

For 2000, the general government deficit is estimated at a ratio of 1.4 percent of GDP; abstracting from the one-off effect of the sale of UMTS licenses, the deficit ratio is 1.8 percent. Thus, despite major tax cuts and raises in family benefits taking effect, the deficit has been kept lower than in 1999 (2.1 percent), largely due to increases in consumption taxes and other public charges.

In 2001, a number of fiscal consolidation measures taken should cut the deficit in half. In particular, increases in a number of taxes and the shifting „off budget“ of some responsibilities of the Federal states should make for a reduction in the general government deficit to 0.8 percent of GDP. The downward revision of GDP growth may be of little impact for the budgetary outturn, as crucial component variables, such as compensation of employees as the major tax base, or the number of registered unemployed, remain virtually unchanged.

In 2002, restrictions in government expenditure (pension reform, civil service payroll) will increasingly be felt.

Thus, general government finances should for the first time be in balance, unless overall business conditions turn out substantially worse than presently expected (e.g., „hard landing“ in the USA).

Unlike in 2000, the fiscal stance in 2001 should have a dampening impact on household net incomes. Higher taxes and public charges and weakening cyclical activity will squeeze disposable income. The but modest gain in net real income from employment and social transfers (+3/4 percent) reduces the scope for higher consumption. Households will be able to raise their spending by the projected 2 percent (in volume) only by accepting a significant decline in the saving ratio.

Inflation has peaked in November 2000 at an annual rate of 3.1 percent. Since the inflationary impact of energy prices is going to fade and even be reversed in a year-on-year comparison, the annual average rate of inflation is set to abate to 1.5 percent in 2001 and 1.3 percent in 2002. In 2000, the oil price hike has added almost 1 percentage point to headline inflation. Conducive to a deceleration of price rises from now on should not only be a weakening of oil prices, but also an expected strengthening in the euro exchange rate. As from June 2001, the impact of higher consumption taxes on the annual inflation rate (0.5 percentage point) will disappear. Further exonerating effects are expected from cuts in electricity and telephone charges, as well as from housing rents and seasonal goods prices. However, due to high energy costs being passed onto goods and services produced downstream, core inflation (excluding food and energy items) will go up from 1.8 to 2.3 percent in 2001, before subsiding in 2002.

The slower pace of output growth will make for somewhat smaller gains in the number of jobs (projected at +24,000) in 2001. Given the new regulations concerning health insurance contributions of non-working spouses (without children), part of the people concerned may seek part-time employment (paid above the contribution threshold). Unemployment is set to recede further, if somewhat more slowly than in 2000. The jobless rate for 2001, on national definitions, is projected at 5.3 percent of the dependent labour force. More than in the past years, the jobs newly created are likely to be filled by people from the unemployment register, as the „hidden reserve“ of the labour force becomes progressively exhausted. In addition, the ability and willingness to work of people registered as unemployed are now being scrutinised more closely, and benefits are being denied more often than before.

Cut-off date: 19 December 2000.

WILFRIED PUWEIN

TRANSPORTKOSTEN IN DER ÖSTERREICHISCHEN WIRTSCHAFT

Die Transportkosten eines Produktionsstandorts hängen von der verfügbaren Verkehrsinfrastruktur ab. Diese wird von topographischen Voraussetzungen, aber auch von Infrastrukturinvestitionen geprägt. Starke Produktivitätssteigerungen im Verkehr senkten in den letzten 40 Jahren die Transportkosten, die Frachtsätze haben sich in Relation zu den Güterpreisen verbilligt.

Seit Ende der achtziger Jahre gehen verstärkt umweltpolitische Überlegungen in Entscheidungen über den Infrastrukturausbau ein. Sie zielen auf die Verbesserung des Schienenangebotes ab, die Investitionen in das Straßennetz beschränken sich auf die Fertigstellung des reduzierten höherrangigen Straßennetzes und auf bauliche Maßnahmen zur Senkung der Lärmemissionen. Ziel der Verkehrspolitik der EU ist die Internalisierung der externen Kosten des Verkehrs (ungedekte Infrastruktur-, Unfall-, Umwelt- und Staukosten).

- *Problemstellung*
- *Bedeutung der Transportkosten für die Entwicklung der Wirtschaft*
- *Preisbildung im Güterverkehr*
- *Struktur des Güterverkehrs in Österreich*

Straßengüterverkehr – Eisenbahnen – Binnenschifffahrt – Rohrleitungen – Luftfracht – Umschlaghäfen für Österreichs Überseehandelsverkehr

- *Transportkostenbelastung der österreichischen Wirtschaft*

Transportleistungsinput nach Wirtschaftsbereichen – Belastungen des Exports durch Transportkosten auf der Basis von Cif-fob-Vergleichen – Umfrage über die Transportkostenbelastung ausgewählter Lieferungen

- *Längerfristige Preisentwicklung im Güterverkehr*

Staatliche Interventionen in den Güterverkehr – Längerfristige Produktivitätssteigerungen – Entwicklung der Frachtsätze verschiedener Verkehrsträger – Aspekte der weiteren Entwicklung der Frachtkosten

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