

**LAPSE OF  
TIME**

SM/22/215  
Correction 2

August 29, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Austria—Staff Report for the 2022 Article IV Consultation**

Board Action: The attached corrections to SM/22/215 (8/23/22) have been provided by the staff:

**Evident Ambiguity**

**Pages 59 (para. 3)**

**Factual Errors Not  
Affecting the  
Presentation of Staff's  
Analysis or Views**

**Page 59 (para. 2)**

Questions:

Mr. Franks, EUR (ext. 36347)  
Ms. Suphaphiphat, EUR (ext. 38773)





## Appendix I. Draft Press Release

### IMF Executive Board Concludes 2022 Article IV Consultation with Austria

FOR IMMEDIATE RELEASE

**Washington, DC – [Month dd, YYYY]:** The Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation<sup>1</sup> with Austria.

The Austrian economy recovered robustly from the pandemic. Swift and effective policy measures and a strong public health system helped cushion the impact of the pandemic, allowing real GDP ~~and employment~~ to recover by 4.8 percent in 2021. However, the recovery lags somewhat compared to peers, partially due to the strong concentration of the winter tourism and hospitality sectors in Austrian GDP.

Austria is highly vulnerable to the fallout of ~~the Russia's~~ war in Ukraine given its high dependence on energy imports from Russia, deep integration into global value chains, and large banking exposures. Growth is projected to decline significantly during 2022:H2 and 2023 due to impacts of the war and the related energy crisis. Over the medium term, annual growth is projected to recover to around 1¾ percent. However, output will remain below the pre-crisis trend. Uncertainty is extraordinarily high with significant downside risks.

#### Executive Board Assessment<sup>2</sup>

The war in Ukraine constitutes another shock to the economy and has caused downside risks to rise considerably. Economic policies should aim at cushioning the impact of war, building resilience, and boosting growth.

The measures taken to address inflation concerns are temporary, but many are broad-based while some actions could undermine green transition efforts. Any additional support should allow full

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<sup>1</sup> Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

<sup>2</sup> Management has determined it meets the established criteria as set out in Board Decision No. 15207 (12/74); (i) there are no acute or significant risks, or general policy issues requiring a Board discussion; (ii) policies or circumstances are unlikely to have significant regional or global impact in the near term; and (iii) the use of Fund resources is not under discussion or anticipated.