

**FOR
AGENDA**

SM/08/155
Supplement 1

May 23, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **Austria—Staff Report for the 2008 Article IV Consultation—
Informational Annex**

The attached informational annex is being issued as a supplement to the staff report for the 2008 Article IV consultation with Austria (SM/08/155, 5/23/08), which is tentatively scheduled for discussion on **Friday, June 13, 2008**. At the time of circulation of this paper to the Board, the Secretary's Department has received a communication from the authorities of Austria indicating that they consent to the Fund's publication of this paper.

Questions may be referred to Mr. Hilbers (ext. 35337) and Mr. Lundback (ext. 36612) in EUR.

Unless the Documents Section (ext. 36760) is otherwise notified, the document will be transmitted, in accordance with the procedures approved by the Executive Board and with the appropriate deletions, to the European Central Bank forthwith; to the WTO Secretariat on Tuesday, June 3, 2008; and to the European Commission and the Organisation for Economic Cooperation and Development, following its consideration by the Executive Board.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities. This supplement is not being disseminated in hard copy. It can be accessed in the Institutional Repository. A link to this document can be found in the daily list (<http://www-int.imf.org/depts/sec/services/eb/dailydocumentsfull.htm>) for the issuance date shown above.

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INTERNATIONAL MONETARY FUND

AUSTRIA

Staff Report for the 2008 Article IV Consultation—Informational Annex

Prepared by the Staff Representatives for the 2008 Consultation with Austria

(In Consultation with Other Departments)

May 22, 2008

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Annex I. Austria: Fund Relations
(As of April 30, 2008)

Mission: Consultation discussions were held in Vienna during March 7-17, 2008. The authorities released the mission's concluding statement, which is available at: <http://www.imf.org/external/np/ms/2008/031708.htm>.

Staff team: Messrs. Hilbers (head), Kanda, Lundback, Rosenberg (all EUR), and Hardy (MCM). Mr. Prader, Alternate Executive Director for Austria, attended the meetings.

Country interlocutors: The Vice-Chancellor and Minister of Finance; the Minister of Economics and Labor; the Governor of the Austrian National Bank (OeNB); the Chief Executive Officers of the Financial Market Authority (FMA); and senior officials at the federal and lower level governments, the OeNB, and the FMA. The mission also met with the parliamentary budget committee, representatives of economic research institutes, employers' organizations, the federation of trade unions, and commercial banks. There was a press conference at the end of the mission.

Fund relations: Austria is on a 12-month consultation cycle. The last consultation was completed on April 23, 2007. The reports is available at: <http://www.imf.org/external/pubs/cat/longres.cfm?sk=20670.0>

FSAP Update: An FSAP Update, with a mission during November 27-December 11, 2007, was conducted in parallel with the 2008 Article IV consultation.

I. **Membership Status:**

- (a) Joined: August 27, 1948
- (b) Status: Article VIII, as from August 1, 1962

II. General Resources Account:	SDR Million	Percent Quota
Quota	1,872.30	100.00
Fund holdings of currency	1,738.09	92.83
Reserve position in Fund	134.21	7.17
III. SDR Department:	SDR Million	Percent Allocation
Net cumulative allocation	179.05	100.00
Holdings	147.58	82.43
IV. Outstanding Purchases and Loans:	None	
V. Latest Financial Arrangements:	None	

VI. Projected Payments to Fund:

(SDR Million; based on existing use of resources and present holdings of SDRs):

	<u>Forthcoming</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Principal	--	--	--	--	--
Charges/Interest	0.65	0.87	0.87	0.87	0.87
Total	<u>0.65</u>	<u>0.87</u>	<u>0.87</u>	<u>0.87</u>	<u>0.87</u>

VIII. Exchange System:

As of January 1, 1999, the currency of Austria is the euro. Austria's exchange system is free of restrictions on the making of payments and transfers for current international transactions with the exception of restrictions notified to the Fund in accordance with decision No. 144-(52/51) resulting from UN Security Council Resolutions and EU Council regulations. The most recent notification was made on March 19, 2008. Furthermore, national restrictions apply with respect to certain terror organizations and their activists within the EU, implementing decisions in the Common Foreign and Security Policy (CFSP) framework of the EU.

Annex II. Austria: Statistical Issues

Macroeconomic statistics are adequate for surveillance. Austria subscribed to the Fund's Special Data Dissemination Standard (SDDS) in 1996, and its metadata are available on the Fund's electronic Dissemination Standards Bulletin Board. Austria is availing itself of the SDDS flexibility option on the timeliness of the industrial production index and the merchandise trade data.

The transition to the new European System of Accounts 1995 (ESA 1995) has complicated the analysis of national accounts and fiscal data. The new national accounts do not provide information on household disposable income, except for an economy-wide aggregate, thus precluding the calculation of a household saving ratio. In addition, the reclassification of public hospitals in 1997 introduced a break in the national account series on public and private consumption. Annual fiscal data for 1995 onward are derived from ESA 1995 data reported to Eurostat, using bridge tables created in a collaborative effort by the Fund and Eurostat. Data on outlays by function have been revised and are available from 1995 onward on a comparable basis according to major functional categories. Reported data on the net acquisition of financial assets and net incurrence of liabilities exclude a breakdown between domestic and foreign financing. Quarterly fiscal data reported through Eurostat are disseminated in the IFS.

The ECB reporting framework is used for monetary statistics and data are reported to the IMF through a "gateway" arrangement with the ECB. The arrangement provides an efficient transmission of monetary statistics to the IMF and for publication in the IFS and IFS Supplement.

Austria: Table of Common Indicators
(as of April 30, 2008)

	Date of latest observation	Date received	Frequency of data	Frequency of reporting	Frequency of publication
Exchange rates	04/30/08	04/30/08	Daily	Daily	Daily
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	Mar. 2008	04/15/08	Monthly	Monthly	Monthly
Reserve/Base Money	Mar. 2008	04/15/08	Monthly	Monthly	Monthly
Broad Money	Mar. 2008	04/15/08	Monthly	Monthly	Monthly
Central Bank Balance Sheet	Mar. 2008	04/15/08	Monthly	Monthly	Monthly
Consolidated Balance Sheet of the Banking System	Mar. 2008	04/15/08	Monthly	Monthly	Monthly
Interest Rates ²	04/30/08	04/30/08	Daily	Daily	Daily
Consumer Price Index	Mar. 2008	04/15/08	Monthly	Monthly	Monthly
Revenue, Expenditure, Balance and Composition of Financing ³ – General Government ⁴	Q4 2007	04/01/08	Quarterly	Quarterly	Quarterly
Revenue, Expenditure, Balance and Composition of Financing ³ – Central Government	Feb. 2008	04/25/08	Monthly	Monthly	Monthly
Stocks of Central Government and Central Government-Guaranteed Debt	Mar. 2008	04/17/08	Monthly	Monthly	Monthly
External Current Account Balance	Q4 2007	04/02/08	Quarterly	Quarterly	Quarterly
Exports and Imports of Goods and Services	Q4 2007	04/02/08	Quarterly	Quarterly	Quarterly
GDP/GNP	Q4 2007	03/07/08	Quarterly	Quarterly	Quarterly
Gross External Debt ⁵	Q4 2007	04/02/08	Quarterly	Quarterly	Quarterly

¹ Includes reserve assets pledged or otherwise encumbered as well as net derivative positions.

² Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.