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### Economy grew by 12% in third quarter of 2020 compared to previous quarter

**Vienna**, 2020-30-11 – From July to September 2020, the Austrian **gross domestic product (GDP)** increased by 12.0% in real terms compared to April to June (seasonal and working day adjusted), as Statistics Austria reports. Compared to the third quarter 2019, a decline of 4.0% in real terms was recorded. The temporary easing of measures to contain the COVID-19 pandemic stimulated nearly all industries, private consumption, capital formation as well as foreign trade. Overall, however, the economy remained below the pre-crisis level.

### Recovery of consumption, capital formation and foreign trade

In the third quarter of 2020, **consumption** of private households showed a substantial growth of 13.3% in real terms compared to the previous quarter. The decline of 5.1% compared to the third quarter of 2019 can be traced back to a still weak demand for services. In contrast, demand for durable consumption goods, in particular furniture, recorded a substantial catch-up effect (+7.7% in real terms compared to the previous year's third quarter).

**Capital formation** in the third quarter of 2020 increased by 7.9% in real terms compared to the second quarter (-0.7% in real terms compared to the third quarter 2019), thereby offsetting nearly all of the losses of the first half year. The upward trend affected all parts of capital formation, in particular capital formation in transport equipment (+17.5% compared to the previous quarter, +6.4% compared to the third quarter of 2019) and in machinery (+14.0% compared to the previous quarter, -3.7% compared to the third quarter of 2019).

The worldwide slowdown in the spread of COVID-19 during summer resulted in a recovery of **foreign trade**. Austrian exports rose by 16.1% in real terms compared to the second quarter and imports rose by 12.1% during the same period. The still high rates of decline compared to the previous year's quarter (-8.6% in exports, -9.1% in imports) are due to restrained cross-border trade of services, particularly in tourism.

### Surge in growth of services

Nearly all industries recovered during the summer months. Above all, the industries most affected by the lockdown during the first half of the year recorded remarkable real growth rates from the second to the third quarter. Trade and transportation as well as accommodation and food services grew by 32.9% (-4.5% compared to the third quarter of 2019). Arts, recreation and personal services increased by 39.2%. However, the losses were not fully compensated (-7.7% in real terms compared to the third quarter of 2019).

Manufacturing also gained momentum during the third quarter of 2020 (+15.7% in real terms compared to the previous quarter, -4.0% in real terms compared to the previous year's quarter). Construction recorded real growth of 10.1% compared to the previous quarter and thereby reached pre-crisis levels (+0.2% in real terms compared to the previous year's quarter).

Industries which were rarely affected by the lockdown, such as real estate activities, public administration and health services, remained overall stable (real estate activities: -0.4% in real terms compared to the second quarter and +1.5% in real terms compared to the third quarter of 2019, public administration and health services: +0.5% in real terms compared to the second quarter and +0.6% in real terms compared to the third quarter of 2019).

**Table 1: Quarterly growth rates of GDP in real terms**

	2018				2019				2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>BIP</b>											
% to previous quarter, seasonal and calendar adjusted	1,2	0,4	0,2	0,9	0,8	-0,3	0,3	-0,5	-2,8	-11,6	12,0
% to previous year, unadjusted	2,7	2,5	2,1	3,0	2,2	1,4	1,7	0,4	-3,4	-14,1	-4,0

S: STATISTICS AUSTRIA, National Accounts. – November 2020.

**Table 2: Quarterly growth rates of selected expenditure aggregates**

	2018				2019				2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Consumption</b>											
% to previous quarter, seasonal and calendar adjusted	1,3	0,0	-0,6	0,7	1,3	-0,5	0,0	-0,5	-3,3	-7,9	9,1
% to previous year, unadjusted	1,2	1,8	0,1	1,4	1,1	0,8	1,6	0,6	-3,5	-11,6	-3,5
<b>Consumption of private households</b>											
% to previous quarter, seasonal and calendar adjusted	1,7	-0,6	-0,4	0,4	1,5	-0,6	-0,4	-0,4	-4,7	-11,4	13,3
% to previous year, unadjusted	1,5	1,5	-0,2	1,2	0,4	1,1	1,2	0,5	-5,0	-16,3	-5,1
<b>Gross fixed capital formation</b>											
% to previous quarter, seasonal and calendar adjusted	0,6	2,8	-1,0	2,6	2,3	0,7	-1,2	-2,1	-0,2	-7,2	7,9
% to previous year, unadjusted	3,1	4,7	2,5	5,0	7,6	4,5	4,7	0,0	-3,4	-12,7	-0,7
<b>Exports of goods and services</b>											
% to previous quarter, seasonal and calendar adjusted	0,4	2,9	-0,8	1,2	2,7	-1,4	0,3	-0,2	-4,2	-18,4	16,1
% to previous year, unadjusted	6,0	5,7	5,2	5,3	4,4	2,4	2,6	2,2	-4,4	-22,1	-8,6
<b>Imports of goods and services</b>											
% to previous quarter, seasonal and calendar adjusted	1,3	1,2	-0,2	3,2	2,2	-1,1	-1,7	-2,3	0,1	-17,4	12,1
% to previous year, unadjusted	4,7	4,6	4,2	6,5	5,7	4,9	2,2	-2,6	-5,1	-21,3	-9,1

S: STATISTICS AUSTRIA, National Accounts. – November 2020.

**Table 3: Quarterly growth rates of selected economic activities in real terms**

	2018				2019				2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Production industry (NACE B to E)</b>											
% to previous quarter, seasonal and calendar adjusted	1,5	0,8	1,3	2,3	0,2	-0,9	-0,8	-1,9	-1,1	-13,9	14,6
% to previous year, unadjusted	3,5	4,9	4,5	6,7	5,0	1,9	0,9	-3,4	-5,2	-17,3	-3,3
<b>Construction</b>											
% to previous quarter, seasonal and calendar adjusted	0,0	0,8	0,4	1,0	0,6	0,7	0,7	0,8	0,0	-9,3	10,1
% to previous year, unadjusted	1,4	1,4	1,7	2,4	2,5	2,5	2,8	2,8	2,0	-8,3	0,2
<b>Trade, transportation, accommodation and food service (NACE G to I)</b>											
% to previous quarter, seasonal and calendar adjusted	1,4	0,1	-0,5	1,1	0,4	-0,4	1,4	-1,0	-8,1	-21,2	32,9
% to previous year, unadjusted	3,3	1,0	1,4	2,7	0,3	1,0	2,8	0,7	-8,1	-26,7	-4,5
<b>Public administration</b>											
% to previous quarter, seasonal and calendar adjusted	0,1	0,4	0,1	0,1	0,3	0,3	0,0	0,1	0,3	-0,4	0,5
% to previous year, unadjusted	0,8	1,0	0,7	0,8	0,9	0,4	0,5	0,7	0,7	-0,4	0,6
S: STATISTICS AUSTRIA, National Accounts. – November 2020.											

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