

Methodological Notes and Short Glossary

The ongoing economic reporting is one of the key products provided by WIFO. For better readability, in-depth explanations on definitions and technical terms are, whenever possible, summarised in this glossary rather than provided in the analytical part.

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Period comparisons

Time-series comparisons with the previous period, e.g. the previous quarter, are based on data adjusted for seasonal and calendar effects (moving holiday effects or a varying number of working days in the period).

The phrase "changed compared with the previous year . . .", on the other hand, describes a change compared with the same period a year before and refers to unadjusted time series.

The analysis of the seasonally and calendar-adjusted movements allows more precise information about the actual stance of economic activity and shows turning points sooner. However, the data are subject to additional revisions as adjustment is based on statistical methods.

Carry-over (in economic growth)

The growth carry-over indicates the extent to which GDP would grow or contract in the following year t_1 (based on seasonally and calendar-adjusted figures) if economic output remained at the level of the fourth quarter of the previous year t_0 throughout the year. It thus describes the effect of the momentum observed during the course of the previous year on the rate of change in the following year.

Average rates of change

The time given refers to the start and end dates of the calculation period: accordingly, the average rate 2020-2025 comprises as the first rate of change that from 2020 to 2021, and as the last that from 2024 to 2025 (geometric mean).

Real and nominal values

Generally, numbers and figures are given as real data, which means that they have been adjusted for price effects. Where values are shown in nominal terms (e.g. foreign trade statistics), this is explicitly mentioned.

Inflation, CPI and HICP

The inflation rate measures changes in the consumer price index compared with a year before. The CPI is a measure of national inflation. The Harmonised Index of Consumer Prices (HICP) forms the basis for the comparable measurement of inflation in the EU and for the assessment of price stability in the euro area (see <https://www.statistik.at/en/statistics/national-economy-and-public-finance/prices-and-price-indices/consumer-price-index-cpi/-hicp>).

Core inflation, as an indicator of monetary policy, is internationally not uniformly defined. WIFO follows standard practice by using the inflation rate that excludes the positions food, alcohol and tobacco, and energy as the measure of core inflation. Thus, around 80 percent of the goods and services contained in the consumer price index (CPI 2025) basket are included in the calculation of core inflation.

WIFO-Konjunkturtest (business cycle survey) and WIFO Investment Survey

The WIFO-Konjunkturtest (business cycle survey) is a monthly survey in which around 2,000 Austrian firms are asked to assess their

current and future economic situation. It is part of the Joint Harmonised EU Programme of Business and Consumer Surveys (BCS) and is financially supported by the European Commission.

The WIFO Investment Survey is conducted twice a year, asking companies about their investment activity within the framework of the WIFO-Konjunkturtest (business cycle survey; <https://www.konjunkturtest.at/>). The indicators are either percentages or net figures representing the ratio of positive to negative reports among the total number of companies surveyed, weighted by the number of employees.

Unemployment rate

Austrian national definition: the number of persons registered as job seekers expressed as a percentage of the dependent labour force. Labour force is the sum of unemployed and employees (measured in standard employment relationships). Data source: registrations with the Austrian Public Employment Service (AMS) and Federation of Social Insurances.

Definition according to ILO and Eurostat: persons are considered unemployed if they are not in employment and are actively seeking work. Persons are considered in employment if they worked for at least 1 hour as a self-employed person or in paid employment during the reference week. Persons receiving child-care allowance and apprentices are classified as employed, whereas persons in military or civilian service are not. The unemployment rate is the number of unemployed persons expressed as a percentage of the total labour force (unemployed persons plus gainfully employed persons). Data source: survey data from private households ("Microcensus").

Terms used in connection with the national definition of the unemployment rate

Persons in training: persons who are participating in AMS (Public Employment Service) training programmes on the reference date. When calculating the common unemployment rate, their number is not taken into account.

Persons in dependent active employment: "persons in dependent employment" include persons receiving child-care benefit, as well as persons in military service with a valid employment contract. Subtracting their numbers yields the figure for "persons in dependent active employment".

At-risk-of-poverty rate and S80/S20 ratio

According to EU definition, persons are considered at risk of poverty if their needs-weighted net household income (equivalised income) is below 60 percent of the national median income. The rate refers to the proportion of these persons within the population living in private households.

The S80/S20 indicator, a measure of income inequality, describes the ratio of total equivalised income in the top income quintile of private households to that in the bottom income quintile. The time reference relates to the income reference year of the dataset (Eurostat, EU-SILC 2024) or the simulation (EUROMOD J2.0+). The authors are solely responsible for all conclusions.