

--

Preamble

Objectives

Objective 1: Avoidance of potential consumer deception due to ‘shrinkflation’ in the food and drugstore retail trade

Contents

The proposed legislation primarily comprises the following measure:

Measure 1: Introduction of mandatory labelling for products affected by ‘shrinkflation’

Significant impacts

The proposed legislation has a material impact in the following impact category(ies):

Financial impact

Financial impacts on the federal budget and other public budgets

Simplified presentation of the financial impact

The planned federal law creates more clarity regarding goods, the quantity of which has decreased with apparently consistent packaging size. It can be assumed that these clarifications will contribute to significantly fewer infringements. In the event of complaints, the competent authorities within the indirect federal administration will first investigate the matter and, if no corrective action is taken within a reasonable period of time, will proceed in accordance with the administrative penalty provisions. Due to the very clear wording, no significant additional cost is expected for the authorities.

Relationship with European Union legislation

The proposed legislation does not fall within the scope of European Union law.

Special features of the standard-setting process:

None

Simplified outcome-oriented impact assessment

Anti-Deceptive Packaging Act

Submitting entity:	Federal Ministry of Economy, Energy and Tourism		
Title of the proposed legislation:	Federal Act enacting the Federal Act on the labelling of goods the quantity of which has decreased without a corresponding price reduction (Anti-Mogelpackungs-Gesetz)		
Type of proposed legislation:	Act	Entry into force/ effective date:	2026
Year created:	2025	Last updated:	20/11/2025

Contribution to outcome objective or measure in the federal budget

Contribution to:

- Outcome objective: Increasing the attractiveness of places of business (item 40 (economy) – Federal Budget 2025)

Analysis of the problem

Definition of the problem

In the Council of Ministers presentation of 3 September 2025 on ‘Autumn of recovery: Growth, affordable prices and location policy measures for all’ the Federal Government declared combating inflation a priority, among other things. One of the measures planned to combat inflation was the creation of a legal regulation for labelling shrinkflation. The term ‘shrinkflation’ combines the word for ‘shrink’ and the word ‘inflation’ (price increase). This is understood to mean the reduction of the filling quantity or number of units of a product already on the market while retaining the same packaging size, without the price for the product being reduced accordingly, resulting in an increase in the price per unit of measurement. Since a price change is either not made at all or at least not in the same proportion as the change in the quantity or number of units, this may constitute a hidden price increase. As a result, a certain degree of consumer deception is inherent to the phenomenon of ‘shrinkflation’.

Objectives

Objective 1: Avoidance of potential consumer deception due to ‘shrinkflation’ in the food and drugstore retail trade

Description of the objective:

In the event of a reduction in the quantity of a pre-packaged product offered as uniform pre-packaging where the size of the packaging appears to be the same, without a corresponding proportional reduction in the price, resulting in an increase in the basic price, consumers may be misled, despite the basic price being correctly indicated. This danger exists in particular in the food retail trade and in the drugstore trade and therefore needs to be addressed.

Implemented by:

Measure 1: Introduction of mandatory labelling for products affected by ‘shrinkflation’

Measures

Measure 1: Introduction of mandatory labelling for products affected by 'shrinkflation'

Description of the measure:

Food retailers and chemists within the meaning of Section 1 shall be required to indicate on the product, on the shelf or in the immediate vicinity when goods are affected by 'shrinkflation'. Entrepreneurs with a maximum of five branches within the meaning of Section 1 must display a clearly legible information sign in DIN A1 format at the entrance area of establishments with a sales area of more than 400 m².

Implementation of:

Objective 1: Avoidance of potential consumer deception due to 'shrinkflation' in the food and drugstore retail trade

Impact assessment

Simplified presentation of the financial impact

The planned federal law creates more clarity regarding goods, the quantity of which has decreased with apparently consistent packaging size. It can be assumed that these clarifications will contribute to significantly fewer infringements. In the event of complaints, the competent authorities within the indirect federal administration will first investigate the matter and, if no corrective action is taken within a reasonable period of time, will proceed in accordance with the administrative penalty provisions. Due to the very clear wording, no significant additional cost is expected for the authorities.

Companies

Financial impact on businesses, in particular SMEs

The proposed legislation has no material financial impact on enterprises.

explanation:

Due to the labelling obligations, some additional costs for companies is expected, in particular personnel costs. Employees will have to be trained and instructed accordingly about the new obligations. In addition, the signs must be manufactured, affixed, kept up to date and removed in accordance with the provisions of the law. There are therefore administrative costs for companies.

Based on the scope of the law in Section 1, it can be assumed that the majority of food and drugstore retailers will be affected by the new labelling requirement. Only establishments with less than 400 m² that are not part of a company with more than five branches are excluded from the scope of the regulation. In total, there are around 5,600 food retail outlets in Austria (see Industry Study: Food, BWB/BU Food, p. 48) and around 1,060 drugstore outlets. It can be assumed that the majority of these branches fall within the scope of this law.

It is assumed – as experience from France shows, that the labelling obligation will also have a deterrent effect and thus fewer ‘shrinkflation’ products will be sold in the food retail trade in the future. Roughly estimated, it can be assumed that the number of cases will be halved.

Effects in terms of consumer protection policy

Effects on consumers in relation to businesses

The procedure has no significant effects on consumers in relation to businesses.

explanation:

In particular, the proposed legislation will enhance trust among consumers: They will benefit from the regulation due to increased transparency in the case of hidden price increases for ‘shrinkflation’ products and the labelling encourages responsible consumers to pay closer attention to the marked basic price of the product concerned and thus to make an informed purchase decision.

Even though a majority of the Austrian population regularly visits a food retail business, there is potential for deception in relation to products affected by "shrinkflation"

Were not equally relevant to all consumers: As the Vienna Higher Regional Court (24 June 2025, 4 R 197/24f) has also pointed out, the likelihood of deception is particularly high among consumers who are familiar with the product in question because they purchase it regularly.

Information on materiality

In the opinion of the submitting authority, this draft has no significant impact on the following impact categories, within the meaning of Annex 1 to the Basic Ordinance on Outcome-Oriented Impact Assessments [WFA- Grundsatz-verordnung].

Impact category	Sub-dimension of the impact dimension	Materiality criterion
Companies	Financial effects on businesses	At least 10 000 enterprises concerned or EUR 2.5 million in terms of total additional cost or relief per year
Consumer protection policy	Ratio of female consumers to businesses	- More than 100 000 potentially or 5 000 currently affected consumers per year or - Financial impact of more than EUR 500,000 for all consumers or more than EUR 400 per case with more than 500 people per year

Document information

Template version: V2.025
Form: BMF-S-WFA-v.1.15
Technical version: 0
Deployment: 2.13.23.RELEASE
Date and time: 20/11/2025 09:12:25
WFA version: 1.4
OID: 4956
B0|D0|F0|I0

Bundesministerium Finanzen	Verification information	Information on verification of the electronic seal or electronic signature can be found at: https://www.signaturpruefung.gv.at Information on verification of the printout can be found at: https://www.bmf.gv.at/verifizierung
	Date/time	2025-11-20T09:12:31+01:00
Signatory	Federal Ministry of Finance	
Issuer certificate	CN=a-sign-corporate-07,OU=a-sign-corporate-07,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT	
Serial No	874736968	
Document reference	This document has not been signed.	