

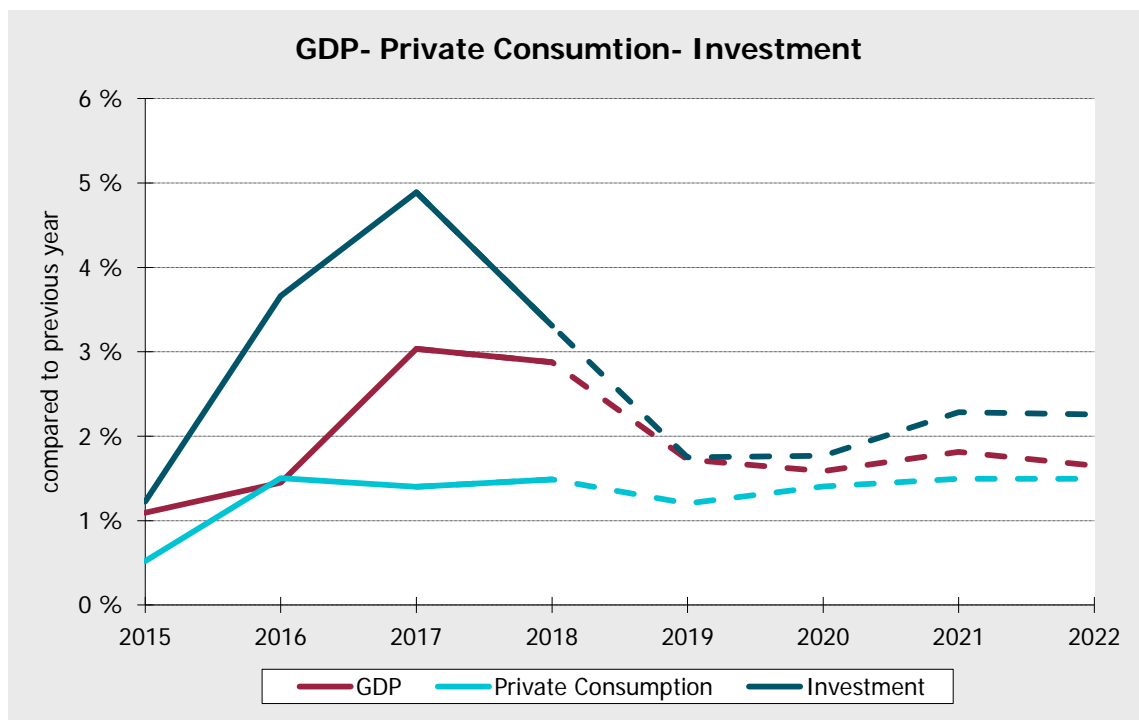
Vienna, Tuesday, 17th July 2018

Forecast of the Austrian Economy 2018 – 2022

Growth should be supported by structural reforms

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The Austrian economy is currently booming. In the coming years, it will lose momentum and will return to a solid growth path. Between 2018 and 2022, average growth of the real gross domestic product is estimated to equal 1.9 % per year, after 1.3 % in the past five years. The Austrian economy is thus projected to grow somewhat faster than the euro area economy (1.7 %). Exports and solid private consumption are supporting growth. The inflation rate is expected to average 2.0 %. Due to the positive economic outlook, labour market conditions should continue to improve. However, at 7.4 % at the end of the forecast period, the unemployment rate (according to the national definition) remains at a historically high level. The booming economy and low interest rates support the public sector to reach a budget surplus. The current favourable conditions should be used to address structural reforms in the public sector.



Main results

Average annual change in percent

	2008-2012	2013-2017	2018-2022
Gross domestic product, real	0.6	1.3	1.9
Private consumption, real	0.9	0.7	1.4
Gross capital formation, real	-0.8	2.4	2.5
Gross fixed capital formation, real	-0.2	2.1	2.3
of which: equipment, real	1.0	3.4	2.6
of which: construction, real	-1.6	0.6	1.8
Domestic demand, real	0.6	1.4	1.6
Exports of goods and services, real	1.2	2.8	3.8
of which: goods, real	1.3	2.5	4.1
of which: tourism, real	0.1	2.1	1.4
Imports of goods and services, real	1.3	3.1	3.4
of which: goods, real	1.4	2.4	3.4
of which: tourism, real	-1.6	2.1	1.1
Employment (employees)	1.0	1.2	1.3
Unemployment rate: national definition *	6.8	8.5	7.5
Unemployment rate: Eurostat definition *	4.7	5.6	5.0
Compensation per employee	2.2	2.0	2.5
GDP deflator	1.7	1.7	1.8
Consumer price index	2.2	1.5	2.0
Budget balance in % of GDP (Maastricht definition) *	-3.2	-1.6	0.2
3-months Euribor ^{*)}	1.7	-0.0	0.3
10-year government bond yields ^{*)}	3.4	1.0	1.4

Source: Statistik Austria, own calculations

* absolute value

International Environment

Average annual change in percent

	2013 – 2017	2018 – 2022
World trade	2.6	3.7
GDP, real		
Germany	1.7	1.6
Italy	0.3	1.1
France	1.2	1.6
United Kingdom	2.2	1.4
Switzerland	1.6	1.8
USA	2.2	2.1
Japan	1.3	0.9
China	7.1	6.1
Poland	3.2	3.4
Slovakia	3.0	3.6
Czech Republic	2.8	3.0
Hungary	3.2	3.0
Slovenia	2.4	3.4
MOEL-5*)	3.1	3.3
Bulgaria	2.7	3.3
Romania	4.5	3.8
Croatia	1.6	2.8
Russia	0.2	1.8
Euro Area	1.5	1.7
NMS-6*)	3.2	3.3
EU-28	1.7	1.9
OECD	2.1	2.0
World	3.5	3.6
Export markets Austria	3.8	3.9
USD/EUR exchange rate**)	1.20	1.16
Oil price (Brent, USD/barrel)**)	72.2	70.0

Source: Eurostat, IMF, OECD, CPB, national statistical office, own calculations

* MOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia; NMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia

** absolute values



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