



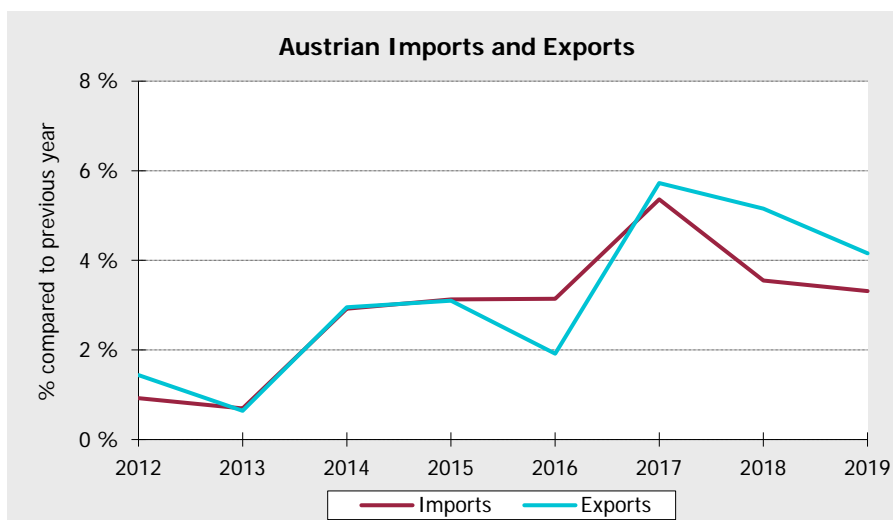
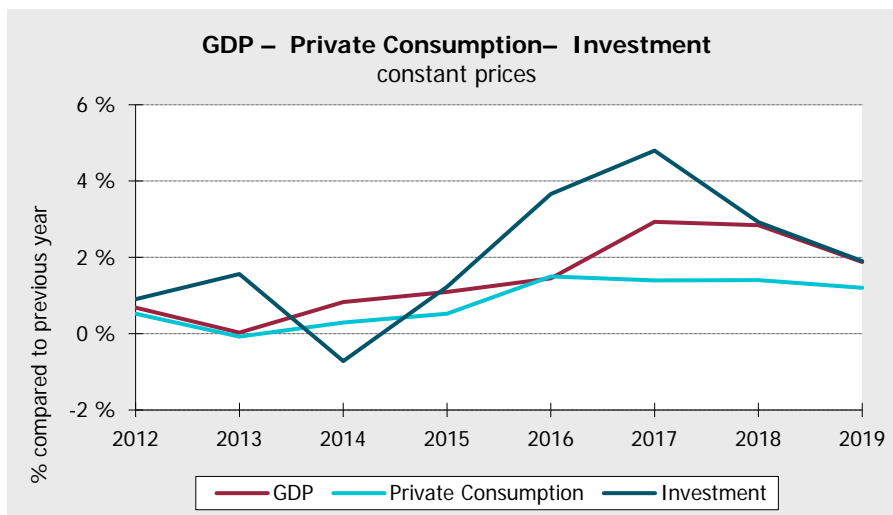
Vienna, Thursday, 15<sup>th</sup> March 2018

## Forecast of the Austrian Economy 2018 – 2019

### Economic cycle hits it's peak

Embargo: Friday, 16<sup>th</sup> March 2018, 10:30 a.m.

Driven by the broad-based global economic boom, the domestic economy should continue its vigorous expansion. In 2018 and 2019, the Austrian economy is expected to grow by 2.8% and 1.9%, respectively. While the investment cycle slows noticeably, exports and private consumption are supporting the upswing. It is recommended that the current period of high growth is used to achieve a sustainable budgetary stance and to implement urgently needed structural reforms.



## Main results

### Annual percentage change

	2017	2018	2019
Gross domestic product, real	2.9	2.8	1.9
Private consumption, real	1.4	1.4	1.2
Gross capital formation, real	6.1	3.1	1.8
Gross fixed capital formation, real	4.8	2.9	1.9
of which: equipment, real	6.7	3.5	2.3
of which: construction, real	2.6	2.3	1.5
Domestic demand, real	2.6	1.9	1.3
Exports of goods and services, real	5.7	5.2	4.2
of which: goods, real	6.1	5.8	4.5
of which: tourism, real	1.6	1.8	1.5
Imports of goods and services, real	5.4	3.5	3.3
of which: goods, real	5.0	3.5	3.3
of which: tourism, real	3.9	1.0	1.0
Employment (employees)	2.0	1.9	1.2
Unemployment rate: national definition *	8.5	7.8	7.7
Unemployment rate: Eurostat definition *	5.5	5.2	5.2
Compensation per employee	1.5	2.8	2.5
GDP deflator	1.5	1.9	1.9
Consumer price index	2.1	2.1	2.2
Budget balance in % of GDP (Maastricht definition) *	-0.6	-0.6	-0.4
3-months Euribor <sup>*)</sup>	-0.3	-0.2	0.1
10-year government bond yields <sup>*)</sup>	0.6	0.9	1.2

Source: Statistik Austria, own calculations

\* absolute value

## International Environment

### Annual percentage change

	2015	2016	2017	2018	2019
World trade	1.9	1.4	4.5	4.5	4.0
GDP, real					
Germany	1.7	1.9	2.2	2.3	1.9
Italy	1.0	0.9	1.5	1.5	1.3
France	1.1	1.2	1.8	2.0	1.7
United Kingdom	2.3	1.9	1.7	1.4	1.1
Switzerland	1.2	1.4	1.0	1.9	1.7
USA	2.9	1.5	2.3	2.5	2.2
Japan	1.2	1.0	1.6	1.3	1.1
China	6.9	6.7	6.9	6.7	6.3
Poland	3.8	2.9	4.6	4.0	3.5
Slovakia	3.9	3.3	3.4	4.0	4.0
Czech Republic	5.3	2.6	4.3	3.4	3.0
Hungary	3.4	2.2	4.0	3.7	3.2
Slovenia	2.3	3.1	5.0	3.9	3.4
MOEL-5*	4.0	2.8	4.4	3.8	3.4
Bulgaria	3.6	3.9	3.6	3.8	3.5
Romania	4.0	4.8	7.0	4.7	4.5
Croatia	2.3	3.2	2.8	2.8	2.8
Russia	-2.8	-0.2	1.5	1.7	1.8
Euro Area	2.1	1.8	2.3	2.3	1.9
NMS-6*	4.0	3.1	4.7	3.9	3.5
EU-28	2.3	2.0	2.4	2.3	1.9
OECD	2.4	1.8	2.5	2.4	2.1
World	3.4	3.2	3.7	3.8	3.5
Export markets Austria	3.5	3.5	5.0	4.6	3.8
USD/EUR exchange rate**	1.11	1.11	1.13	1.20	1.20
Oil price (Brent, USD/barrel)**	53.0	45.0	54.8	64.0	65.0

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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