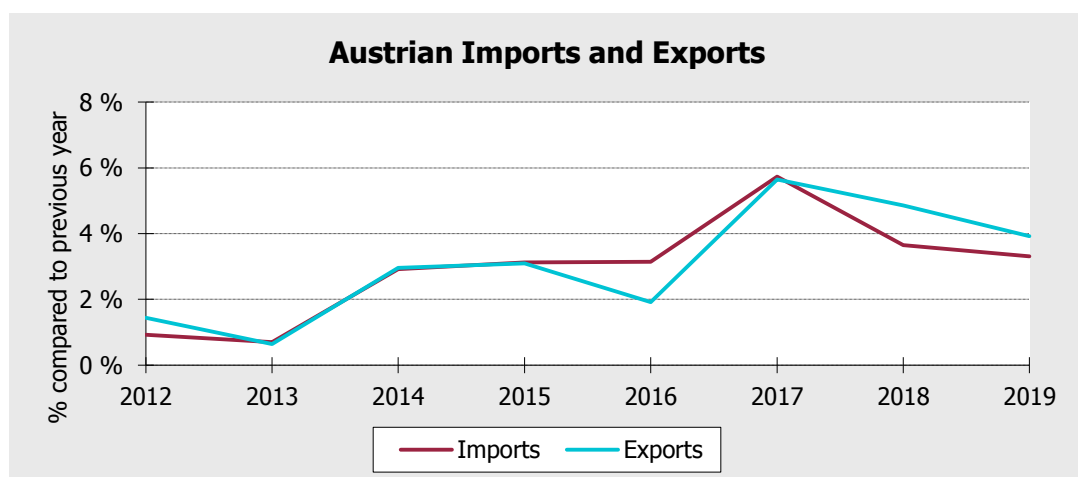
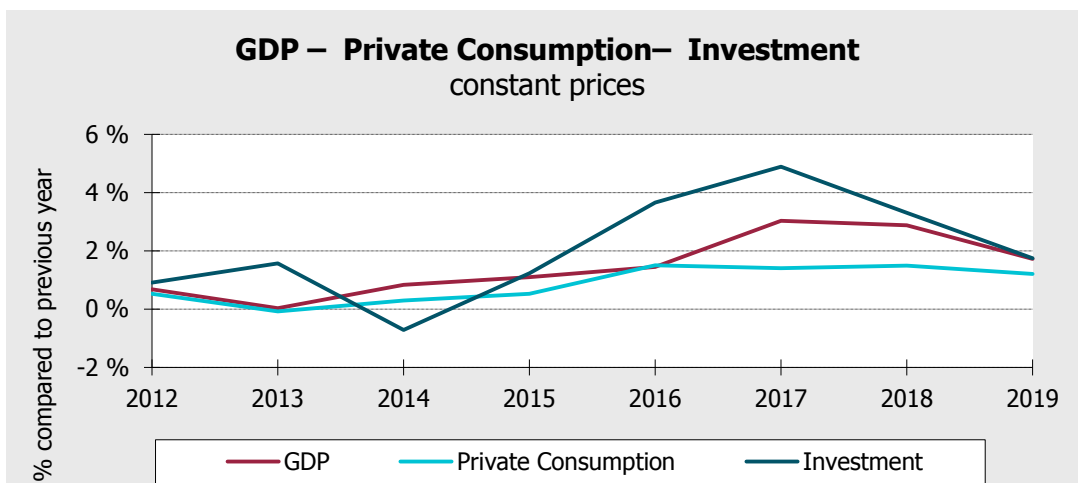


# Forecast of the Austrian Economy 2018 – 2019

## GDP growth decelerates, global uncertainty increases

Embargo: Friday, 29<sup>th</sup> June 2018, 10:30 a.m.

Austria's economic growth is expected to have remained very high in the first half of 2018. Against the background of weaker growth in the euro area since the beginning of the year as well as the increased uncertainty in the global environment, however, a significant slowdown in growth is expected for the remaining forecast period. The Austrian economy is projected to grow by 2.9 % and 1.7 % in 2018 and 2019, respectively. Due to the excellent economic situation, the public sector is likely to reach a balanced budget. Urgently needed structural reforms should be addressed now. The risks surrounding the economic outlook are currently on the downside, in particular due to the threat of increased protectionism and the uncertainty relating to the outcome of the Brexit negotiations.



## Main results

### Annual percentage change

	2017	2018	2019
Gross domestic product, real	3.0	2.9	1.7
Private consumption, real	1.4	1.5	1.2
Gross capital formation, real	7.3	4.1	1.6
Gross fixed capital formation, real	4.9	3.3	1.8
of which: equipment, real	6.9	4.0	1.8
of which: construction, real	2.6	2.5	1.8
Domestic demand, real	3.0	2.1	1.3
Exports of goods and services, real	5.6	4.9	3.9
of which: goods, real	6.1	5.4	4.3
of which: tourism, real	2.4	1.8	1.5
Imports of goods and services, real	5.7	3.6	3.3
of which: goods, real	5.1	3.5	3.3
of which: tourism, real	6.2	2.0	1.0
Employment (employees)	2.0	2.3	1.3
Unemployment rate: national definition *	8.5	7.7	7.5
Unemployment rate: Eurostat definition *	5.5	5.0	5.0
Compensation per employee	1.5	2.5	2.3
GDP deflator	1.6	1.9	1.8
Consumer price index	2.1	2.1	2.1
Budget balance in % of GDP (Maastricht definition) *	-0.7	-0.2	0.1
3-months Euribor *)	-0.3	-0.3	-0.0
10-year government bond yields*)	0.6	0.9	1.1

Source: Statistik Austria, own calculations

\* absolute value

## International Environment

### Annual percentage change

	2015	2016	2017	2018	2019
World trade	2.0	1.5	4.6	4.3	3.8
GDP, real					
Germany	1.7	1.9	2.2	1.9	1.8
Italy	1.0	0.9	1.5	1.3	1.3
France	1.1	1.2	2.2	1.8	1.7
United Kingdom	2.3	1.9	1.8	1.3	1.2
Switzerland	1.2	1.4	1.0	2.2	1.8
USA	2.9	1.5	2.3	2.8	2.4
Japan	1.4	1.0	1.7	1.1	1.1
China	6.9	6.7	6.9	6.6	6.2
Poland	3.8	3.0	4.6	4.3	3.5
Slovakia	3.9	3.3	3.4	4.0	4.0
Czech Republic	5.3	2.6	4.4	3.8	3.0
Hungary	3.4	2.2	4.0	4.0	3.2
Slovenia	2.3	3.1	5.0	4.3	3.4
MOEL-5*	4.0	2.8	4.4	4.2	3.4
Bulgaria	3.6	3.9	3.6	3.8	3.5
Romania	4.0	4.8	6.9	4.0	3.8
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	2.4	2.0	1.8
NMS-6*	4.0	3.2	4.7	4.0	3.4
EU-28	2.3	2.0	2.5	2.1	1.9
OECD	2.4	1.8	2.5	2.4	2.2
World	3.4	3.2	3.7	3.8	3.6
Export markets Austria	3.6	3.4	5.3	4.7	4.2
USD/EUR exchange rate**	1.11	1.11	1.13	1.18	1.16
Oil price (Brent, USD/barrel)**	53.0	45.0	54.8	72.0	71.0

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

**Contact information:**

Institut für Höhere Studien – Institute for Advanced Studies (IHS)  
Josefstädter Straße 39, 1080 Wien  
Fax: 01/59991-162 — <http://www.ihs.ac.at> — ZVR-Zahl: 06620797

Prof. Dr. Martin Kocher, [direktion@ihs.ac.at](mailto:direktion@ihs.ac.at), Tel.: 01/59991-125  
Dr. Helmut Hofer, [helmut.hofer@ihs.ac.at](mailto:helmut.hofer@ihs.ac.at), Tel.: 01/59991-251  
Dr. Klaus Weyerstraß, [klaus.weyerstrass@ihs.ac.at](mailto:klaus.weyerstrass@ihs.ac.at), Tel.: 01/59991-233  
Paul Glück (Public Relations), [glueck@paulglueck.com](mailto:glueck@paulglueck.com), Tel.: +43 660 150 5001

---