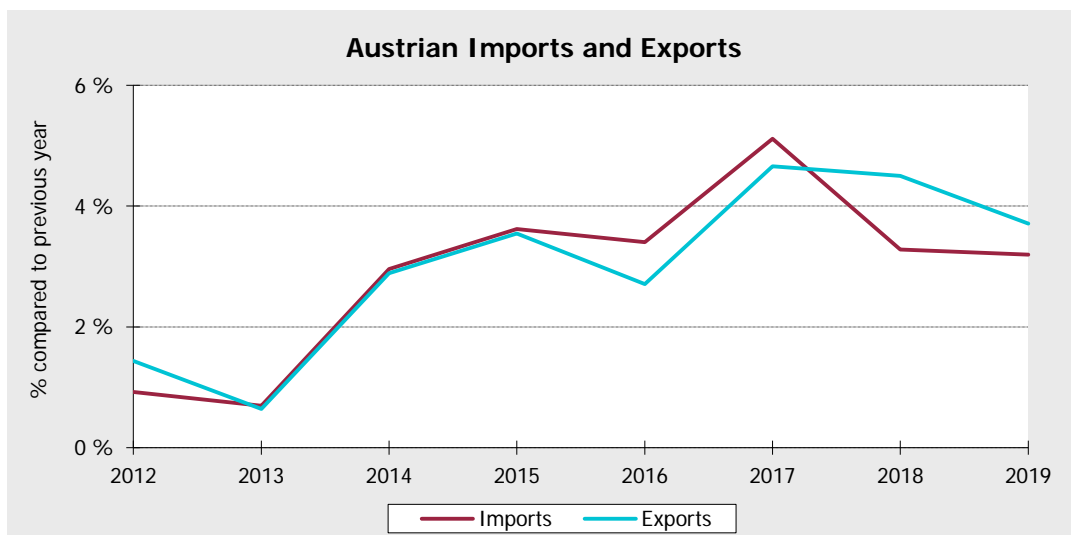
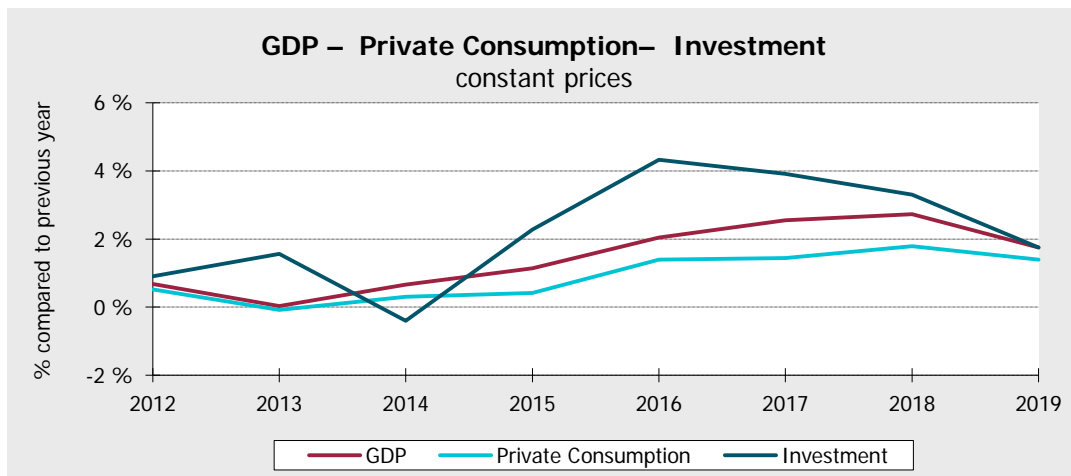


Forecast of the Austrian Economy 2018 – 2019

Robust domestic demand, high external risks

Embargo: Friday, 5th October 2018, 10:30 a.m.

Following an increase of 2.6 % in the previous year, the Austrian economy continued to grow strongly in the first half of the current year. Amidst moderate growth in the euro area since the beginning of the year and the high level of uncertainty in the external environment, the expansion was somewhat slower in the second quarter. The Austrian economy is projected to grow by 2.7 % in 2018 and 1.7 % in 2019. The downside risks have intensified since spring, in particular due to the uncertainty about the future relationship between the UK and the EU and rising trade protectionism. Structural reforms remain a priority to strengthen the growth potential of the Austrian economy and to increase its resilience to international economic downturns.



Main results

Annual percentage change

	2017	2018	2019
Gross domestic product, real	2.6	2.7	1.7
Private consumption, real	1.4	1.8	1.4
Gross capital formation, real	5.6	3.1	1.6
Gross fixed capital formation, real	3.9	3.3	1.8
of which: equipment, real	4.2	3.8	1.8
of which: construction, real	3.5	2.8	1.8
Domestic demand, real	2.7	2.0	1.4
Exports of goods and services, real	4.7	4.5	3.7
of which: goods, real	4.9	5.0	4.0
of which: tourism, real	2.9	2.3	1.8
Imports of goods and services, real	5.1	3.3	3.2
of which: goods, real	4.2	3.8	3.3
of which: tourism, real	8.6	6.5	1.0
Employment (employees)	2.0	2.4	1.2
Unemployment rate: national definition *	8.5	7.7	7.4
Unemployment rate: Eurostat definition *	5.5	4.9	4.8
Compensation per employee	1.3	2.4	2.6
GDP deflator	1.3	1.8	1.9
Consumer price index	2.1	2.0	2.1
Budget balance in % of GDP (Maastricht definition) *	-0.8	-0.2	0.1
3-months Euribor *)	-0.3	-0.3	-0.0
10-year government bond yields*)	0.6	0.7	1.1

Source: Statistik Austria, own calculations

* absolute value

International Environment

Annual percentage change

	2015	2016	2017	2018	2019
World trade	1.9	1.5	4.6	3.5	3.0
GDP, real					
Germany	1.7	2.2	2.2	1.8	1.8
Italy	1.0	0.9	1.5	1.2	1.1
France	1.1	1.2	2.2	1.6	1.7
United Kingdom	2.3	1.8	1.7	1.3	1.2
Switzerland	1.3	1.6	1.6	2.9	1.8
USA	2.9	1.6	2.2	2.8	2.5
Japan	1.4	1.0	1.7	1.2	1.2
China	6.9	6.7	6.9	6.6	6.2
Poland	3.8	3.0	4.6	4.8	3.5
Slovakia	3.9	3.3	3.4	4.0	4.0
Czech Republic	5.3	2.5	4.3	3.3	3.0
Hungary	3.4	2.2	4.0	4.4	3.2
Slovenia	2.3	3.1	4.9	4.5	3.4
MOEL-5*	4.0	2.8	4.4	4.3	3.4
Bulgaria	3.6	3.9	3.6	3.5	3.5
Romania	3.9	4.8	6.9	4.0	3.8
Croatia	2.4	3.5	2.9	2.8	2.8
Russia	-2.8	-0.2	1.5	1.7	1.8
Euro Area	2.1	1.9	2.4	2.0	1.8
NMS-6*	4.0	3.2	4.7	4.2	3.4
EU-28	2.3	2.0	2.4	2.0	1.8
OECD	2.4	1.8	2.5	2.4	2.2
World	3.4	3.2	3.7	3.7	3.6
Export markets Austria	3.6	3.4	5.3	4.2	3.9
USD/EUR exchange rate**	1.11	1.11	1.13	1.19	1.17
Oil price (Brent, USD/barrel)**	53.0	45.0	54.8	74.0	77.0

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