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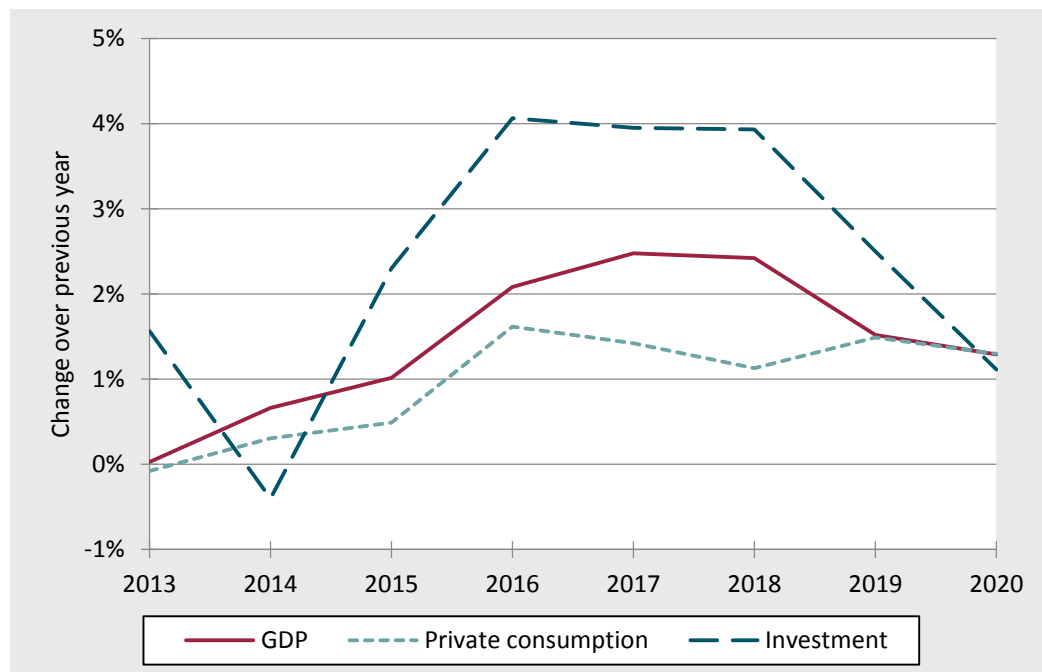
## Press release

# Forecast of the Austrian Economy 2019–2020

## Global economy remains weak

The global economy is expanding only moderately, with industry in particular experiencing a downturn. Due to these unfavourable international conditions, the domestic economy has also cooled considerably. After 2.4 % in the previous year, the Austrian economy is expected to grow by 1.5 % this year and by 1.3 % next year. Inflation should amount to 1.5 % in both years. The unemployment rate is expected to decline somewhat this year, but to rise to 7.5 % next year. The political uncertainties (further escalation of the trade tensions, a disorderly Brexit) as well as potential spill-overs from the weak manufacturing sector to services pose downside risks for the Austrian economy.

**Figure 1: GDP, private consumption, investment**



**Table 1: Main results***Change over previous year in percent*

	2018	2019	2020
Gross domestic product, real	2.4	1.5	1.3
Private consumption, real	1.1	1.5	1.3
Gross capital formation, real	3.6	2.4	1.2
Gross fixed capital formation, real	3.9	2.5	1.1
of which: equipment, real	4.1	2.5	1.0
of which: construction, real	3.7	2.5	1.3
Domestic demand, real	1.6	1.5	1.2
Exports of goods and services, real	5.9	2.2	1.7
of which: goods, real	6.4	1.8	1.8
of which: tourism, real	4.2	1.0	0.8
Imports of goods and services, real	4.6	2.2	1.5
of which: goods, real	4.0	1.5	1.5
of which: tourism, real	9.9	2.8	0.8
Employment (employees)	2.5	1.6	0.8
Unemployment rate: national definition <sup>1</sup>	7.7	7.4	7.5
Unemployment rate: Eurostat definition <sup>1</sup>	4.9	4.6	4.8
Compensation per employee	2.6	2.6	2.1
GDP deflator	1.7	1.9	1.6
Consumer price index	2.0	1.5	1.5
Budget balance in % of GDP (Maastricht definition) <sup>1</sup>	0.2	0.3	0.3
Three-month Euribor <sup>1</sup>	-0.3	-0.4	-0.4
Ten-year government bond yield <sup>1</sup>	0.7	0.0	0.0

<sup>1</sup> absolute values

Source: Statistik Austria, own calculations

**Table 2: International environment**  
*Change over previous year in percent*

	2016	2017	2018	2019	2020
GDP, real					
Germany	2.2	2.5	1.5	0.5	1.0
Italy	1.1	1.7	0.9	0.1	0.6
France	1.1	2.3	1.7	1.3	1.3
United Kingdom	1.8	1.8	1.4	1.1	1.0
Switzerland	1.7	1.8	2.8	1.1	1.6
USA	1.6	2.4	2.9	2.3	1.7
Japan	0.6	1.9	0.8	0.9	0.7
China	6.7	6.8	6.5	6.2	5.9
Poland	3.1	4.9	5.1	4.2	3.5
Slovakia	3.1	3.2	4.1	2.9	2.6
Czech Republic	2.5	4.4	3.0	2.6	2.5
Hungary	2.3	4.1	4.9	4.7	2.7
Slovenia	3.1	4.8	4.1	2.8	2.7
MOEL-5 <sup>1</sup>	2.9	4.5	4.5	3.8	3.1
Bulgaria	3.9	3.8	3.1	3.2	3.0
Romania	4.8	7.0	4.1	4.2	3.0
Croatia	3.5	2.9	2.6	2.8	2.5
Russia	0.3	1.6	2.3	1.0	1.5
Euro area	1.9	2.5	1.9	1.1	1.2
NMS-6 <sup>2</sup>	3.2	4.9	4.3	3.9	3.1
EU-27 <sup>3</sup>	2.0	2.7	2.1	1.4	1.4
OECD	1.8	2.6	2.3	1.8	1.6
World	3.4	3.8	3.6	3.0	3.1
World trade (goods, CPB)	1.4	4.9	3.4	-0.5	1.3
Austrian export markets	3.2	5.4	3.5	1.3	1.8
USD/EUR exchange rate <sup>4</sup>	1.11	1.13	1.18	1.12	1.11
Oil price (Brent, USD/barrel) <sup>4</sup>	45.0	54.8	71.7	64.0	60.0

<sup>1</sup>MOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia <sup>2</sup>NMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia <sup>3</sup>excluding the United Kingdom <sup>4</sup>absolute values

Source: Eurostat, IWF, OECD, CPB, national statistical offices, own calculations

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