

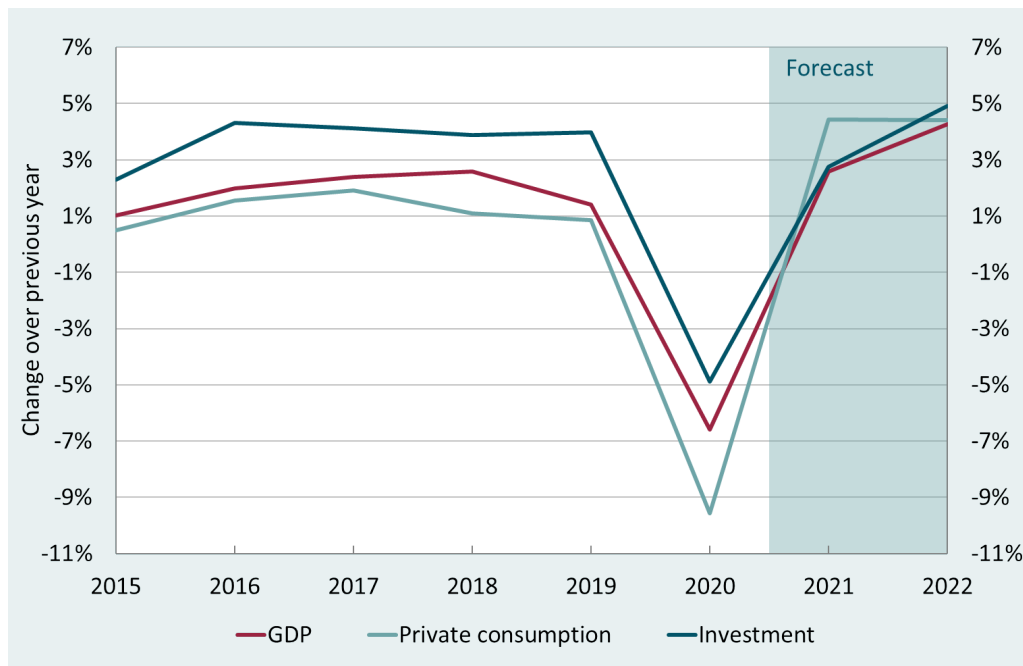
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Forecast of the Austrian Economy 2021–2022

Economy back on growth track

Progress in the fight against the Corona pandemic is supporting the recovery of the global economy. With the global economic upturn and the withdrawal of containment measures, the Austrian economy is likely to return to a solid growth path. After a decline of 6.6 % in the previous year, real GDP should rise by 2.6 % in 2021 and by 4.3 % in 2022. As the economy picks up, the unemployment rate, which rose sharply to 9.9% last year, should fall to 9.3 % this year and 8.5 % next year. Due to rising energy prices, the inflation rate is forecast to climb to 2.0 % in 2021 and is expected to remain at this level. Structural reforms that promote the sustainability of public finances and an ecological tax reform should be implemented.

Figure 1: GDP, private consumption, investment



Sources: Statistics Austria, from 2021 forecast of IHS

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

	2020	2021	2022
Gross domestic product, real	-6.6	2.6	4.3
Private consumption, real	-9.6	4.4	4.4
Gross capital formation, real	-5.9	2.7	5.4
Gross fixed capital formation, real	-4.9	2.7	4.9
of which: equipment, real	-6.2	3.4	6.6
of which: construction, real	-3.3	2.0	3.0
Domestic demand, real	-6.4	3.3	3.8
Exports of goods and services, real	-10.4	6.8	7.2
of which: goods, real	-6.9	7.8	4.0
of which: tourism, real	-39.5	-13.0	75.0
Imports of goods and services, real	-10.2	8.4	6.6
of which: goods, real	-7.4	8.5	4.0
of which: tourism, real	-69.6	25.0	140.0
Employment (employees)	-2.0	1.3	1.5
Unemployment rate: national definition ⁱ	9.9	9.3	8.5
Unemployment rate: Eurostat definition ⁱ	5.4	5.3	5.0
Compensation per employee	0.3	1.0	1.5
GDP deflator	1.1	1.5	1.7
Consumer price index	1.4	2.0	1.9
Budget balance in % of GDP (Maastricht definition) ⁱ	-10.4	-6.6	-3.5
3-month Euribor ⁱ	-0.4	-0.5	-0.5
10-year government bond yield ⁱ	-0.3	-0.1	0.0

ⁱabsolute values

Sources: Statistics Austria, Refinitiv Datastream, from 2021 forecast of IHS

Table 2: International environment
Change over previous year in percent

	2018	2019	2020	2021	2022
GDP, real					
Germany	1.3	0.6	-4.9	3.5	3.3
Italy	0.9	0.3	-8.9	4.0	4.0
France	1.8	1.5	-8.1	5.8	3.8
United Kingdom	1.3	1.4	-9.9	4.5	4.3
Switzerland	3.0	1.1	-2.9	3.3	3.5
USA	3.0	2.2	-3.5	5.8	3.5
Japan	0.6	0.3	-4.8	2.8	2.0
China	6.7	6.1	2.3	7.8	5.3
Poland	5.4	4.5	-2.7	3.5	4.5
Slovakia	3.8	2.3	-5.2	4.0	4.8
Czech Republic	3.2	2.3	-5.6	3.0	4.0
Hungary	5.4	4.6	-5.0	4.0	4.3
Slovenia	4.4	3.2	-5.5	4.5	4.5
MOEL-5 ⁱ	4.8	3.8	-3.9	3.6	4.4
Bulgaria	3.1	3.7	-4.2	3.3	4.3
Romania	4.5	4.1	-3.9	4.0	4.5
Croatia	2.8	2.9	-8.4	4.5	4.8
Russia	2.8	2.0	-3.1	2.5	2.3
Euro area	1.9	1.3	-6.6	4.3	3.6
NMS-6 ⁱⁱ	4.6	4.0	-4.0	3.6	4.4
EU-27	2.1	1.6	-6.2	4.2	3.7
OECD	2.3	1.6	-4.9	4.6	3.5
World	3.4	2.7	-3.4	5.3	4.0
World trade (goods, CPB)	3.5	-0.4	-5.3	7.0	3.5
Austrian export markets	3.9	2.1	-10.0	6.5	5.8
USD/EUR exchange rate ⁱⁱⁱ	1.18	1.12	1.13	1.20	1.20
Oil price (Brent, USD/barrel) ⁱⁱⁱ	71.7	64.2	43.4	65.0	65.0

ⁱMOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia

ⁱⁱNMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia

ⁱⁱⁱabsolute values

Sources: Eurostat, IMF, OECD, CPB, national statistical offices, from 2021 forecast of IHS

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