

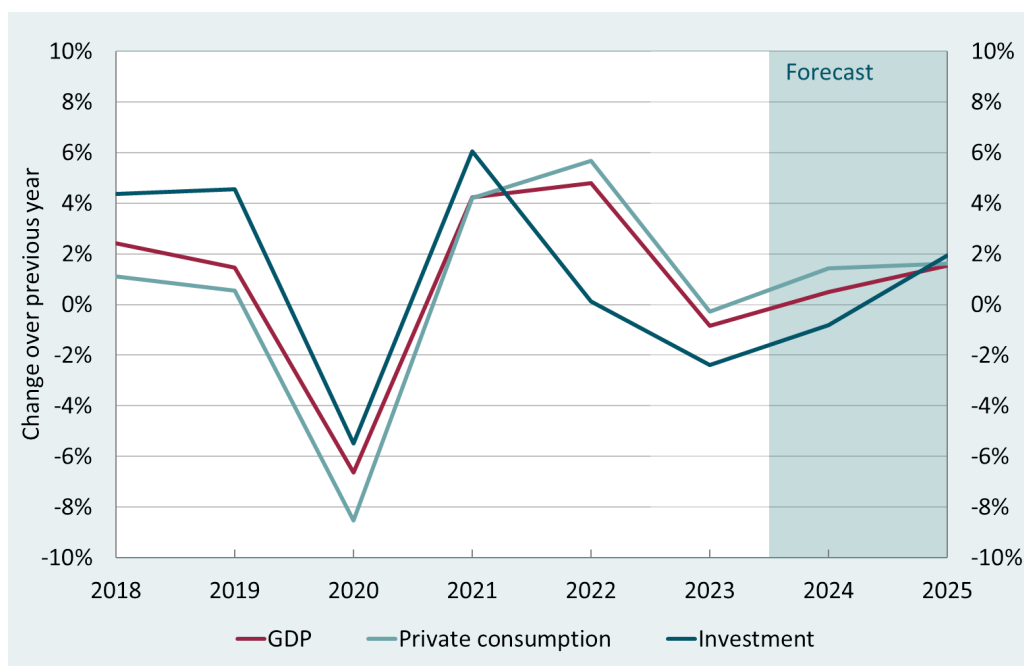
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Spring Forecast of the Austrian Economy 2024–2025

Private consumption supports a slowly recovering economy

The Austrian economy has made a weak start to the current year. However, in the second half of the year, with increasing demand from private households due to rising real income and a brightening of the economy in the euro area, the domestic economy should return to a moderate growth path. This year, gross domestic product is therefore likely to increase by 0.5 % and by 1.5 % in the coming year. Inflation, as measured by the consumer price index, should fall to 3.5 % this year and drop further to 2.6 % next year. However, inflation in Austria will remain well above the euro area average for some time to come. In 2024, the unemployment rate is likely to rise to 6.9 % and decrease to 6.6 % in 2025. Weaker private consumption or a prolonged slump in international industrial production could delay the recovery.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2024 IHS forecast

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

	2023	2024	2025
Gross domestic product, real	-0.8	0.5	1.5
Private consumption, real	-0.3	1.4	1.6
Gross capital formation, real	-5.3	-0.6	2.5
Gross fixed capital formation, real	-2.4	-0.8	1.9
of which: equipment, real	0.7	0.5	2.7
of which: construction, real	-5.9	-2.4	1.0
Domestic demand, real	-1.8	0.6	1.6
Exports of goods and services, real	-0.2	1.6	2.3
of which: goods, real	0.7	1.5	2.3
of which: tourism, real	9.3	1.8	2.0
Imports of goods and services, real	-1.8	1.9	2.5
of which: goods, real	-2.7	1.7	2.4
of which: tourism, real	19.7	1.5	2.0
Employment (employees)	1.2	0.3	0.5
Unemployment rate: national definition ⁱ	6.4	6.9	6.6
Unemployment rate: Eurostat definition ⁱ	5.1	5.3	5.2
Compensation per employee	7.8	7.5	3.8
GDP deflator	7.6	4.0	2.5
Consumer price index	7.8	3.5	2.6
Budget balance in % of GDP (Maastricht definition) ⁱ	-2.4	-2.2	-2.1
3-month Euribor ⁱ	3.4	3.7	2.8
10-year government bond yield ⁱ	3.1	2.9	2.9

ⁱabsolute values

Source: Statistics Austria, LSEG Datastream, from 2024 IHS forecast

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

	2021	2022	2023	2024	2025
GDP, real					
Germany	3.2	1.8	-0.3	0.3	1.2
Italy	8.3	4.0	0.9	0.7	1.1
France	6.4	2.5	0.7	0.8	1.3
United Kingdom	8.7	4.3	0.1	0.5	1.2
Switzerland	5.4	2.7	0.8	1.4	1.4
USA	5.8	1.9	2.5	2.0	1.7
Japan	2.6	1.0	1.9	0.5	1.0
China	8.4	3.0	5.2	4.3	4.0
Poland	6.9	5.3	0.2	2.8	3.3
Slovakia	4.8	1.8	1.1	1.8	2.3
Czech Republic	3.6	2.4	-0.5	0.8	2.8
Hungary	7.1	4.6	-0.9	2.5	3.0
Slovenia	8.2	2.5	1.6	2.3	2.5
MOEL-5 ⁱ	6.2	4.2	0.1	2.3	3.0
Bulgaria	7.7	3.9	1.8	2.5	3.0
Romania	5.7	4.1	2.1	2.8	3.5
Croatia	13.8	6.3	2.8	2.5	2.5
Russia	5.9	-1.2	3.6	1.7	1.5
Euro area	5.9	3.4	0.4	0.7	1.4
NMS-5 ⁱⁱ	6.2	4.5	0.4	2.4	3.2
EU-27	6.0	3.4	0.4	0.9	1.6
OECD	5.7	2.9	1.6	1.5	1.8
World	6.1	3.3	2.9	2.7	2.9
World trade (goods, CPB)	10.4	3.2	-1.9	1.3	2.5
Austrian export markets	10.3	7.0	-0.3	2.2	3.5
USD/EUR exchange rate ⁱⁱⁱ	1.18	1.05	1.08	1.08	1.08
Oil price (Brent, USD/barrel) ⁱⁱⁱ	70.7	100.8	82.6	81.2	75.7

ⁱMOEL-5: Poland, Slovakia, Czech Republic, Hungary, SloveniaⁱⁱNMS-5: Poland, Czech Republic, Hungary, Bulgaria, Romaniaⁱⁱⁱabsolute values

Source: Eurostat, IMF, OECD, CPB, national statistical offices, LSEG Datastream, from 2024 IHS forecast

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