

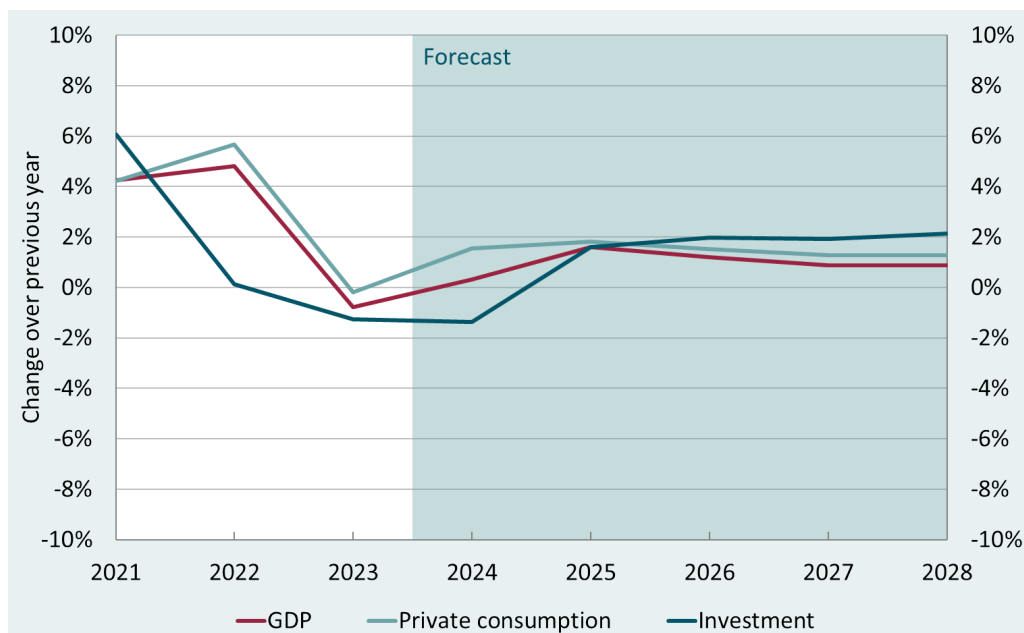
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Forecast of the Austrian Economy 2024–2028

Growth remains subdued in the medium term

As the external economic environment improves and the effects of the inflation shock come to an end, the Austrian economy is likely to return to a subdued growth trajectory. For the forecast period 2024 to 2028, IHS expects real GDP to increase by an average of 1.0 % per year. Growth will be driven by domestic demand, while the expansion of exports is likely to remain weak. Following the record levels reached in the previous years, the inflation rate (as measured by the domestic consumer price index) should fall rapidly and is expected to reach 2.2 % at the end of the forecast period. The unemployment rate is forecasted to fall from 6.9 % this year to 5.8 % in 2028. Given the subdued medium-term growth prospects, economic policy in Austria should focus on strengthening potential growth and ensuring the sustainability of public finances.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2024 IHS forecast

Table 1: Main results*Average annual change in percent*

	2014–2018	2019–2023	2024–2028
Gross domestic product, real	1.7	0.5	1.0
Private consumption, real	1.1	0.2	1.5
Gross capital formation, real	3.8	–0.6	1.0
Gross fixed capital formation, real	2.9	0.7	1.2
of which: equipment, real	3.9	2.2	1.9
of which: construction, real	1.8	–1.0	0.4
Domestic demand, real	1.8	0.2	1.1
Exports of goods and services, real	3.8	2.4	1.9
of which: goods, real	3.7	3.0	1.8
of which: tourism, real	2.8	–2.5	2.0
Imports of goods and services, real	4.2	2.1	2.2
of which: goods, real	3.7	1.7	2.2
of which: tourism, real	4.7	2.1	1.9
Employment (employees)	1.5	1.2	0.7
Unemployment rate: national definition ⁱ	8.6	7.6	6.3
Unemployment rate: Eurostat definition ⁱ	6.0	5.4	4.7
Compensation per employee	2.1	3.8	3.7
GDP deflator	1.8	3.9	2.7
Consumer price index	1.5	4.4	2.5
Budget balance in % of GDP (Maastricht definition) ⁱ	–1.2	–3.8	–2.8
3-month Euribor ⁱ	0.1	0.5	2.9
10-year government bond yield ⁱ	0.8	0.9	3.1

ⁱ absolute values

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

Table 2: International environment*Average annual change in percent*

	2019–2023	2024–2028
GDP, real		
Germany	0.4	0.9
Italy	0.8	1.0
France	0.9	1.3
United Kingdom	0.7	1.4
Switzerland	1.5	1.5
USA	2.1	1.9
Japan	0.2	0.7
China	4.9	4.0
Poland	3.0	3.1
Slovakia	1.5	2.5
Czech Republic	0.9	2.3
Hungary	2.1	2.9
Slovenia	2.2	2.6
MOEL-5 ⁱ	2.3	2.8
Bulgaria	2.6	2.8
Romania	2.4	3.4
Croatia	3.4	2.8
Euro area	1.0	1.2
NMS-5 ⁱⁱ	2.4	3.1
EU-27	1.1	1.4
OECD	1.6	1.8
World	2.5	3.0
World trade (goods, CPB)	0.8	2.4
Austrian export markets	1.9	3.1
USD/EUR exchange rate ⁱⁱⁱ	1.11	1.08
Oil price (Brent, USD/barrel) ⁱⁱⁱ	72.0	75.0

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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