

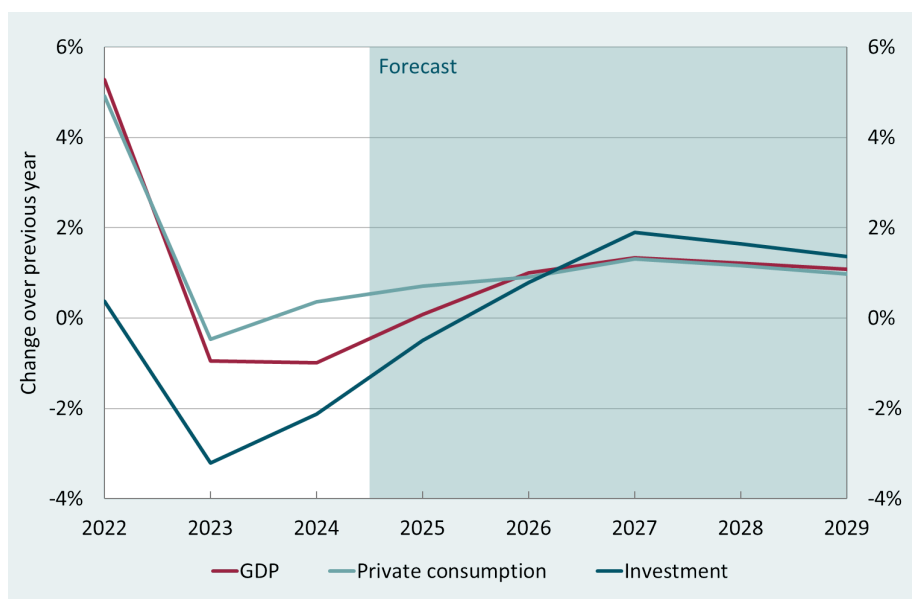
Embargo: July 17, 2025, 10:00 a.m.

Forecast of the Austrian Economy 2025–2029

Moderate growth potential in a fragile global environment

Following a prolonged recession, the Austrian economy is likely to return to a modest growth trajectory in the current year. For the forecast period from 2025 to 2029, IHS expects real GDP to increase at an average annual rate of 0.9 %. Domestic demand and exports are expected to pick up somewhat, but the existing structural issues in Austria, and the difficult, uncertain international environment, will likely dampen the growth pace. The inflation rate is expected to average at 2.3 % during the forecast period. Starting from 7.5 % in the current year, the unemployment rate is expected to decline to 6.2 % by 2029. According to IHS estimates, the budget deficit will fall to 3.2 % of GDP by the end of the forecast period. More ambitious structural reforms and an economic policy geared towards increasing potential growth would be necessary to significantly and sustainably reduce the deficit below the Maastricht limit of 3.0 %.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2025 IHS forecast

Table 1: Key results of IHS forecast
Average annual change in percent

	2015–2019	2020–2024	2025–2029
Gross domestic product, real	2.0	0.3	0.9
Private consumption, real	1.2	0.1	1.0
Gross capital formation, real	3.4	–1.9	1.8
Gross fixed capital formation, real	3.9	–0.9	1.0
of which: equipment, real	5.1	1.0	1.1
of which: construction, real	2.5	–3.1	0.9
Domestic demand, real	1.9	0.0	1.1
Exports of goods and services, real	4.0	0.7	1.5
of which: goods, real	3.8	0.7	1.3
of which: tourism, real	3.7	–0.9	1.8
Imports of goods and services, real	4.0	0.4	1.7
of which: goods, real	3.3	–0.7	1.7
of which: tourism, real	4.6	3.4	1.9
Employment (employees)	1.7	0.9	0.5
Unemployment rate: national definition ⁱ	8.3	7.5	6.9
Unemployment rate: Eurostat definition ⁱ	5.7	5.5	5.2
Compensation per employee	2.2	4.8	2.7
GDP deflator	1.7	3.8	2.0
Consumer price index	1.5	4.7	2.3
Budget balance in % of GDP (Maastricht definition) ⁱ	–0.4	–4.9	–3.8
3-month Euribor ⁱ	–0.3	1.3	2.1
10-year government bond yield ⁱ	0.5	1.5	3.1

ⁱ absolute values

Source: Statistics Austria, LSEG Datastream, from 2025 IHS forecast

Table 2: Selected results of IHS forecast

Change over previous year in percent

	2024	2025	2026	2027	2028	2029
Gross domestic product, real	–1.0	0.1	1.0	1.3	1.2	1.1
Consumer price index	2.9	2.9	1.9	2.1	2.2	2.2
Unemployment rate (national definition) ⁱ	7.0	7.5	7.3	6.9	6.5	6.2
Budget balance in % of GDP (Maastricht definition) ⁱ	–4.6	–4.4	–4.1	–3.8	–3.5	–3.2

ⁱabsolute values

Source: Statistics Austria, from 2025 IHS forecast

Table 3: International environment*Average annual change in percent*

	2020–2024	2025–2029
GDP, real		
Germany	0.1	0.8
Italy	1.1	0.9
France	0.8	1.2
United Kingdom	0.7	1.3
Switzerland	1.7	1.5
USA	2.4	1.8
Japan	0.2	0.7
China	4.9	3.6
Poland	2.6	3.0
Slovakia	1.5	2.1
Czech Republic	0.4	2.3
Hungary	1.3	2.3
Slovenia	2.1	2.0
MOEL-5 ⁱ	1.9	2.6
Bulgaria	2.6	2.6
Romania	1.8	2.4
Croatia	3.5	2.7
Euro area	1.0	1.3
NMS-5 ⁱⁱ	1.9	2.7
EU-27	1.1	1.4
OECD	1.7	1.6
World	2.7	2.9
World trade (goods, CPB)	1.6	1.9
Austrian export markets	1.9	2.1
USD/EUR exchange rate ⁱⁱⁱ	1.11	1.14
Oil price (Brent, USD/barrel) ⁱⁱⁱ	75.5	66.7

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 2025 IHS forecast

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