

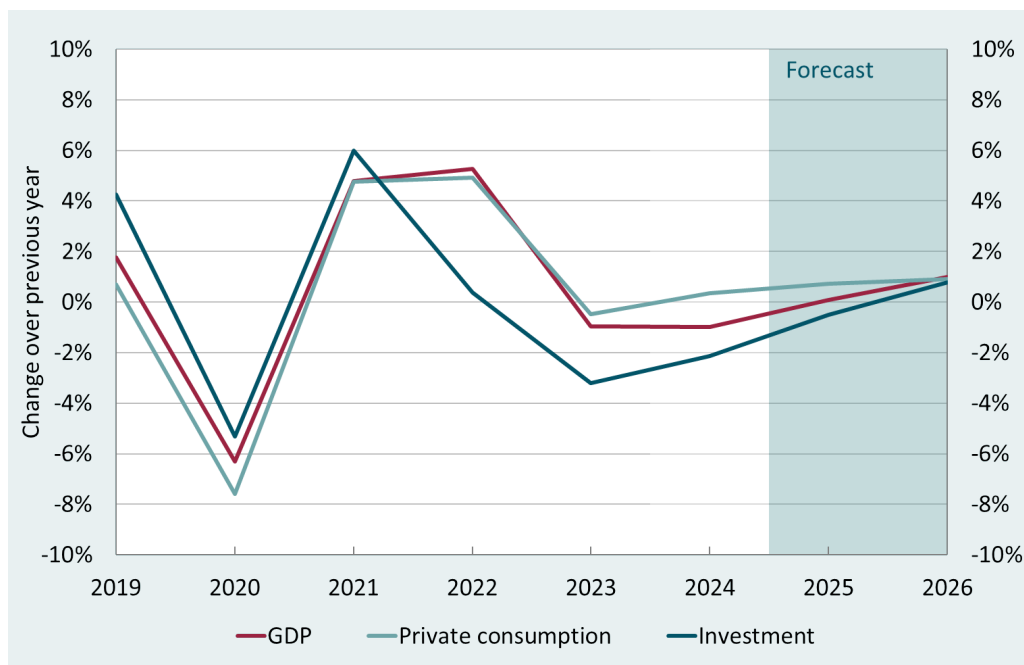
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Summer Forecast of the Austrian Economy 2025–2026

Recovery underway despite global risks

The Austrian economy stabilized in the last quarter of last year, and GDP rose slightly in the first quarter of the current year. The recovery is likely to continue during the economic forecast period. However, the growth pace will probably remain slow due to the challenging international environment and existing structural issues. After two years of recession, IHS forecasts GDP to rise by 0.1 % this year and 1.0 % in the coming year. The increase in consumer prices is likely to remain high at 2.9 % in the current year but fall to 1.9 % in 2026. The unemployment rate is expected to rise to an annual average of 7.5 % in 2025 and then fall slightly to 7.3 % the following year. The erratic US tariff policy and geopolitical tensions pose significant risks to the forecast.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2025 IHS forecast

Table 1: Key results of IHS forecast
Change over previous year in percent

	2024	2025	2026
Gross domestic product, real	–1.0	0.1	1.0
Private consumption, real	0.4	0.7	0.9
Gross capital formation, real	–5.0	0.1	1.7
Gross fixed capital formation, real	–2.1	–0.5	0.8
of which: equipment, real	0.5	–0.5	1.0
of which: construction, real	–5.3	–0.5	0.5
Domestic demand, real	–0.9	0.5	0.9
Exports of goods and services, real	–3.5	–0.5	1.8
of which: goods, real	–5.4	–0.8	1.5
of which: tourism, real	2.4	0.9	2.0
Imports of goods and services, real	–3.3	0.1	1.6
of which: goods, real	–5.4	–0.1	1.5
of which: tourism, real	6.9	1.8	2.0
Employment (employees)	0.2	0.1	0.5
Unemployment rate: national definition ⁱ	7.0	7.5	7.3
Unemployment rate: Eurostat definition ⁱ	5.2	5.5	5.4
Compensation per employee	8.3	3.5	2.5
GDP deflator	3.3	2.4	1.9
Consumer price index	2.9	2.9	1.9
Budget balance in % of GDP (Maastricht definition) ⁱ	–4.6	–4.4	–4.1
3-month Euribor ⁱ	3.6	2.2	2.1
10-year government bond yield ⁱ	2.8	3.0	3.1

ⁱabsolute values

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

Table 2: International environment
Change over previous year in percent

	2022	2023	2024	2025	2026
GDP, real					
Germany	1.4	−0.3	−0.2	0.3	1.5
Italy	4.8	0.7	0.7	0.7	1.0
France	2.7	1.4	1.2	0.7	1.2
United Kingdom	4.8	0.4	1.1	1.1	1.4
Switzerland	3.0	0.7	1.3	1.5	1.4
USA	2.5	2.9	2.8	1.7	1.7
Japan	0.9	1.4	0.2	0.8	0.6
China	3.1	5.4	5.0	4.5	4.0
Poland	5.3	0.2	2.9	3.3	2.8
Slovakia	0.4	2.2	2.1	1.5	2.0
Czech Republic	2.8	−0.1	1.1	2.0	2.2
Hungary	4.3	−0.8	0.5	0.8	2.8
Slovenia	2.7	2.1	1.6	1.0	2.0
MOEL-5 ⁱ	4.1	0.3	2.1	2.4	2.6
Bulgaria	4.0	1.9	2.8	2.8	2.3
Romania	4.0	2.4	0.8	1.3	2.3
Croatia	7.3	3.3	3.9	2.8	2.8
Russia	−1.4	4.1	4.3	1.0	0.8
Euro area	3.5	0.5	0.9	1.0	1.5
NMS-5 ⁱⁱ	4.4	0.5	1.9	2.4	2.6
EU-27	3.5	0.5	1.0	1.2	1.6
OECD	3.2	1.8	1.8	1.5	1.7
World	3.5	3.4	3.3	3.0	2.9
World trade (goods. CPB)	3.1	−0.8	2.5	2.2	0.8
Austrian export markets	7.3	0.0	1.2	2.0	1.8
USD/EUR exchange rate ⁱⁱⁱ	1.05	1.08	1.08	1.12	1.15
Oil price (Brent, USD/barrel) ⁱⁱⁱ	100.8	82.6	80.5	69.6	65.2

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

ⁱⁱNMS-5: Poland, Czech Republic, Hungary, Bulgaria, Romania

ⁱⁱⁱabsolute values

Source: Eurostat, IMF, OECD, CPB, national statistical offices, LSEG Datastream, from 2025 IHS forecast

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