

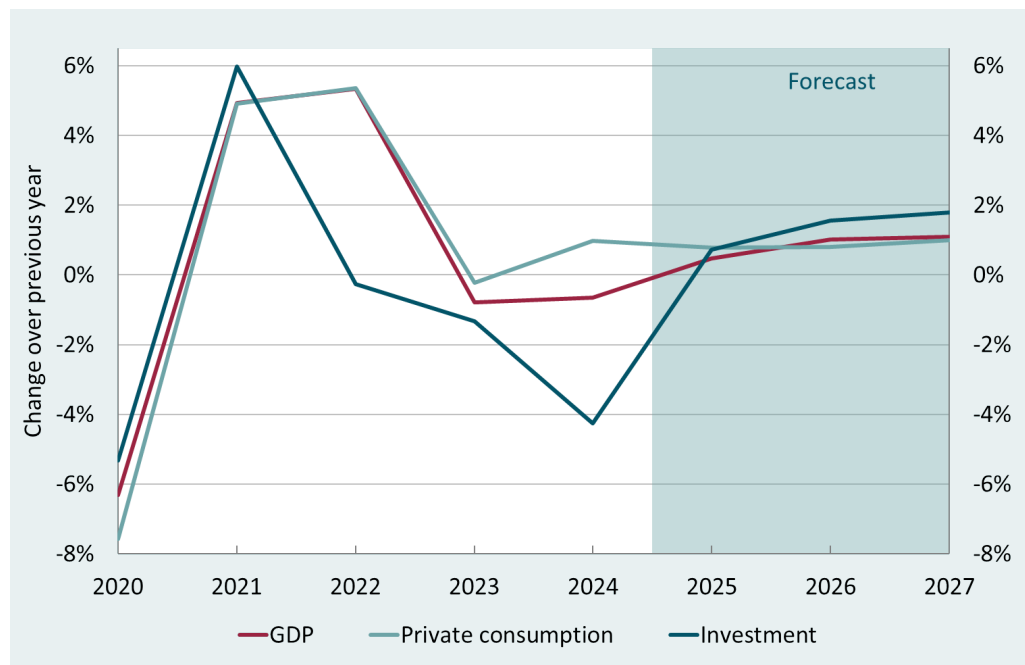
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Gradual recovery of investment

Winter Forecast of the Austrian Economy 2025–2027

In 2025, the Austrian economy has returned to moderate growth after a prolonged recession. According to the IHS forecast, real GDP rose by 0.5% in the current year. Economic growth is expected to reach 1.0% and 1.1% in the next two years. Due to a loss of international competitiveness and protectionist tendencies in world trade, the pace of the recovery is likely to lag behind previous upturns. Inflation is expected to decline from an annual average of 3.6% in 2025 to 2.5% in 2026 followed by 1.9% in 2027. With the economic recovery, the labor market should improve. The unemployment rate is expected to fall from 7.4% in the current year to 7.1% in 2027. IHS forecasts a budget deficit of 4.2% of GDP for 2026 and 4.0% for 2027, following on from 4.4% in 2025.

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

	2025	2026	2027
Gross domestic product, real	0.5	1.0	1.1
Private consumption, real	0.8	0.8	1.0
Gross capital formation, real	5.1	2.4	2.3
Gross fixed capital formation, real	0.7	1.6	1.8
of which: equipment, real	3.0	2.0	2.0
of which: construction, real	–2.0	1.0	1.5
Domestic demand, real	2.2	1.0	1.1
Exports of goods and services, real	–1.6	1.2	2.1
of which: goods, real	–2.6	0.8	2.0
of which: tourism, real	–1.0	2.0	2.0
Imports of goods and services, real	1.3	1.2	2.2
of which: goods, real	1.2	0.9	2.3
of which: tourism, real	1.3	2.0	2.0
Employment (employees)	0.2	0.5	0.6
Unemployment rate: national definition ⁱ	7.4	7.3	7.1
Unemployment rate: Eurostat definition ⁱ	5.6	5.5	5.4
Compensation per employee	3.7	2.0	1.8
GDP deflator	3.0	2.2	1.9
Consumer price index	3.6	2.5	1.9
Budget balance in % of GDP (Maastricht definition) ⁱ	–4.4	–4.2	–4.0
3-month Euribor ⁱ	2.2	2.1	2.1
10-year government bond yield ⁱ	3.0	3.2	3.2

ⁱabsolute values

Source: Statistics Austria, LSEG Datastream, IHS forecast

Table 2: International environment
Change over previous year in percent

	2023	2024	2025	2026	2027
GDP, real					
Germany	-0.9	-0.5	0.1	1.0	1.4
Italy	1.0	0.7	0.5	0.7	1.0
France	1.4	1.2	0.8	1.0	1.3
United Kingdom	0.3	1.1	1.4	1.2	1.2
Switzerland	0.8	1.4	1.1	1.2	1.3
USA	2.9	2.8	1.9	1.8	1.8
Japan	0.7	-0.2	1.1	0.8	0.7
China	5.4	5.0	5.0	4.5	4.3
Poland	0.2	3.0	3.3	3.0	2.8
Slovakia	2.1	1.9	0.8	1.5	1.9
Czech Republic	0.0	1.2	2.5	2.2	2.3
Hungary	-0.8	0.6	0.4	2.0	2.3
Slovenia	2.4	1.7	0.8	2.0	2.3
MOEL-5 ⁱ	0.3	2.2	2.4	2.5	2.5
Bulgaria	1.7	3.4	3.2	2.5	2.5
Romania	2.3	0.9	1.3	1.0	2.3
Croatia	3.8	3.8	3.0	2.8	2.5
Russia	4.1	4.3	0.9	0.8	0.8
Euro area	0.4	0.9	1.4	1.1	1.4
NMS-5 ⁱⁱ	0.5	2.0	2.5	2.4	2.5
EU-27	0.4	1.1	1.5	1.3	1.5
OECD	1.8	1.7	1.7	1.7	1.8
World	3.4	3.3	3.1	2.9	3.0
World trade (goods, CPB)	-0.9	2.5	4.5	2.3	2.3
Austrian export markets	0.1	1.4	3.6	2.1	2.6
USD/EUR exchange rate ⁱⁱⁱ	1.08	1.08	1.13	1.17	1.17
Oil price (USD/barrel Brent) ⁱⁱⁱ	82.6	80.5	69.2	62.1	62.4

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

Contact for further inquiries

Institut für Höhere Studien – Institute for Advanced Studies (IHS)

Josefstädter Straße 39, A-1080 Wien

T +43 1 59991-0

www.ihs.ac.at

ZVR: 066207973

Contact

Holger Bonin

Scientific Director

T +43 1 59991-125

E holger.bonin@ihs.ac.at

Helmut Hofer

Head of Economic Forecasting

T +43 1 59991-251

E hofer@ihs.ac.at

Klaus Weyerstraß

Expert for International Economics

T +43 1 59991-233

E klaus.weyerstrass@ihs.ac.at

Melanie Gadringer

Press Officer

T +43 1 59991-212

E gadringer@ihs.ac.at