

Vienna, October 14, 2026

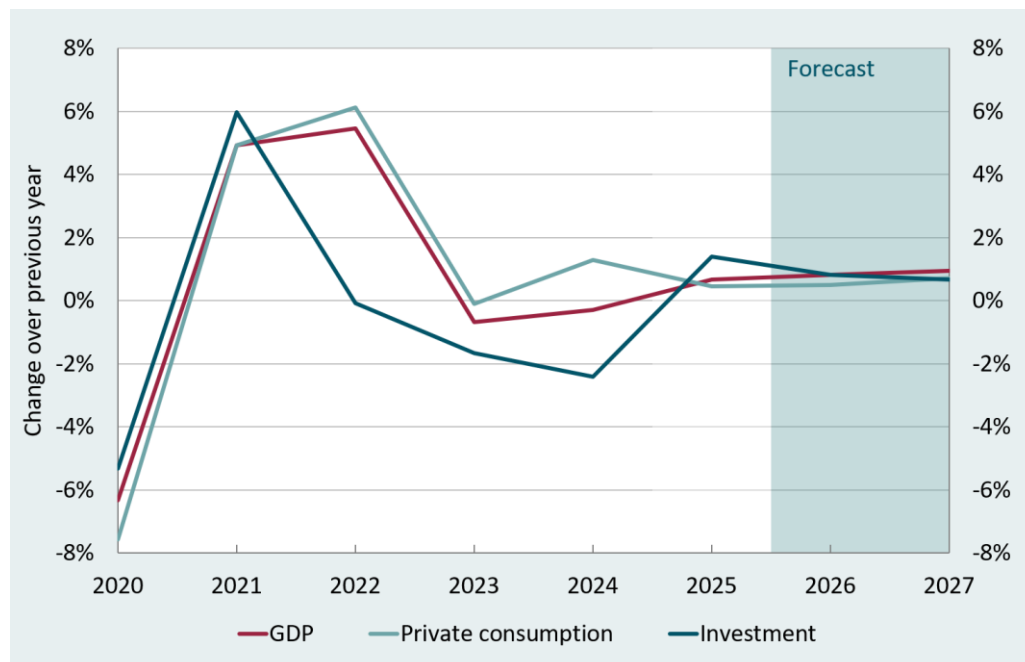
Embargo: October 14, 2026, 10:00 a.m.

Economic recovery amid persistently high inflation

Autumn Forecast of the Austrian Economy 2026–2027

The disruption caused by the conflict in the Middle East is slowing the Austrian economy's recovery. However, the economy is expected to regain momentum in the second half of 2026 after a brief period of weakness. Consequently, IHS continues to forecast economic growth of 0.8 % for the current year and 1.0 % for next year. As the rise in energy prices triggered by the war in Iran is lasting longer than was anticipated in the summer forecast, the inflation forecast for the current year has been raised to 3.1 %. At 2.8 %, inflation is also expected to remain well above the European Central Bank's 2 % target next year. IHS expects the unemployment rate to be 7.6 % this year and 7.4 % next year. After running at a 4.1 % budget deficit last year, this is projected to amount to 3.9 % and 3.7 % relative to GDP in 2026 and 2027, respectively.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2026 IHS forecast

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

	2025	2026	2027
Gross domestic product, real	0.7	0.8	1.0
Private consumption, real	0.5	0.5	0.7
Gross capital formation, real	4.3	1.2	1.3
Gross fixed capital formation, real	1.4	0.8	0.7
of which: equipment, real	4.8	2.5	1.5
of which: construction, real	-2.9	-1.5	-0.5
Domestic demand, real	1.5	0.8	0.9
Exports of goods and services, real	1.3	2.0	2.3
of which: goods, real	0.6	2.5	2.8
of which: tourism, real	1.7	2.0	1.4
Imports of goods and services, real	2.8	2.0	2.2
of which: goods, real	2.9	2.0	2.3
of which: tourism, real	-0.2	0.5	1.5
Employment (employees)	0.2	0.4	0.7
Unemployment rate: national definition ⁱ	7.4	7.6	7.4
Unemployment rate: Eurostat definition ⁱ	5.7	6.1	5.9
Compensation per employee	3.6	1.7	2.5
GDP deflator	3.0	2.0	2.3
Consumer price index	3.6	3.1	2.8
Budget balance in % of GDP (Maastricht definition) ⁱ	-4.1	-3.9	-3.7
3-month Euribor ⁱ	2.2	2.4	3.1
10-year government bond yield ⁱ	3.0	3.4	3.8

ⁱabsolute values

Source: Statistics Austria, LSEG Datastream, from 2026 IHS forecast

Table 2: International environment
Change over previous year in percent

	2023	2024	2025	2026	2027
GDP, real					
Euro area	0.4	1.2	1.2	1.0	1.3
Germany	–1.0	0.0	0.2	1.3	1.1
Italy	1.0	1.1	0.6	0.9	0.8
France	1.6	1.5	0.8	0.5	0.8
MOEL-5 ⁱ	0.3	2.3	2.8	2.6	2.4
Poland	0.2	3.2	3.8	3.2	2.7
Slovakia	2.1	1.9	0.8	0.8	1.2
Czech Republic	0.0	1.3	2.6	1.8	2.3
Hungary	–0.7	0.7	0.7	2.0	2.5
Slovenia	2.6	2.0	1.5	3.4	1.2
EU-27	0.4	1.3	1.4	1.2	1.4
United Kingdom	0.3	1.0	1.3	1.3	1.2
Switzerland	0.8	1.4	1.3	2.3	1.4
USA	2.9	2.8	2.2	2.2	2.0
Japan	0.9	0.1	1.2	0.8	0.7
OECD	1.8	1.8	1.8	1.8	1.7
China	5.4	5.0	5.0	4.5	4.2
India	7.7	7.4	7.3	7.6	6.5
World	3.3	3.4	3.4	2.9	2.8
World trade (goods, CPB)	–0.8	2.8	4.4	5.7	3.0
Austrian export markets	–0.1	1.6	4.0	2.1	2.2
USD/EUR exchange rate ⁱⁱ	1.08	1.08	1.13	1.16	1.16
Oil price (USD/barrel Brent) ⁱⁱ	82.5	80.5	69.1	93.0	85.5

ⁱ MOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia

ⁱⁱ absolute values

Source: Eurostat, IMF, OECD, CPB, national statistical offices, LSEG Datastream, from 2026 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 59991-160

E office@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