INSTITUTE FOR ADVANCED STUDIES VIENNA

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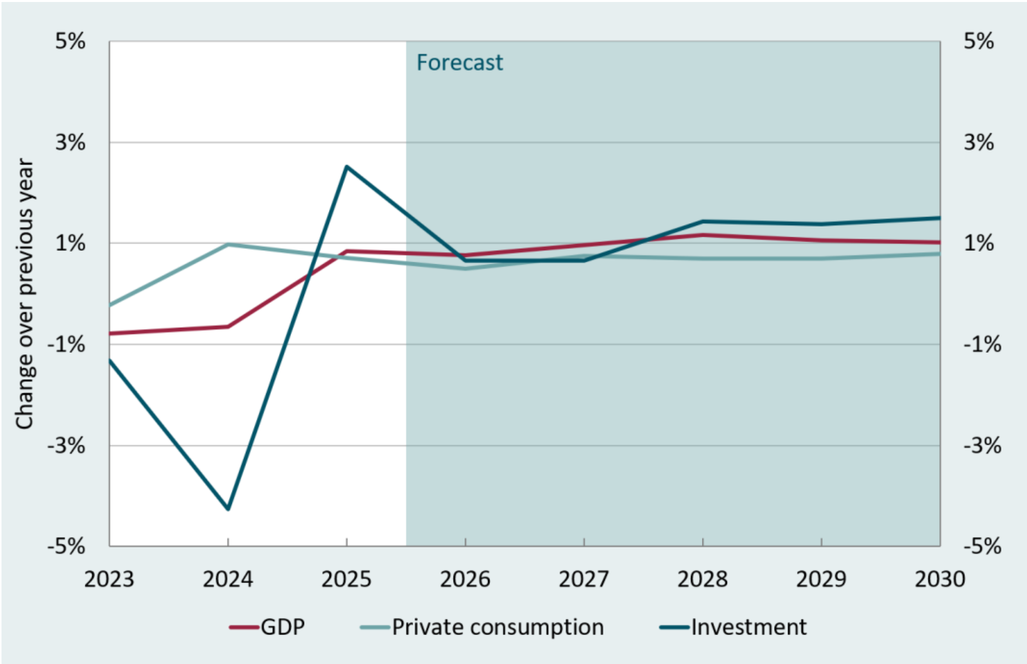
Exports support moderate growth

Forecast for the Austrian Economy 2026–2030

Barring a resurgence of the war in Iran, the Austrian economy is expected to return to a path of moderate growth. Over the forecast period 2026 to 2030, IHS projects real GDP to grow by an average of 1 % per year. After significant losses in market shares in previous years, exports are expected to pick up again in line with Austria's export markets. The construction sector should also overcome its prolonged downturn over the medium term and emerge from recession. Starting at 3 % this year, inflation in Austria is expected to decline markedly over the coming years, reaching the ECB's 2% inflation target from 2028 onwards. Demographic trends will continue to constrain labor supply. Combined with continued, albeit moderate, employment growth, this is expected to reduce the unemployment rate from 7.5 % this year to 6.4 % by 2030. According to the IHS forecast, additional fiscal consolidation efforts will be required to bring the general government deficit ratio below the federal government's target of 3 %.

A key focus of this year's IHS medium-term forecast is an analysis of Austria's goods exports over the period 2017 to 2025, with particular emphasis on the development of Austria's market shares in its main trading partners and across key product groups. In contrast to Germany, the data do not support the hypothesis that Austrian goods exports have decoupled from global trade. A disaggregated analysis by export destinations and product groups shows no systematic losses of market shares over the whole period. However, since 2022, Austria has experienced substantial market share losses in the key product groups of machinery and vehicles, where China has significantly strengthened its competitive position.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2026 IHS forecast

Table 1: Key results of IHS forecast

Average annual change in percent

	2016–2020	2021–2025	2026–2030
Gross domestic product, real	0.4	1.9	1.0
Private consumption, real	−0.5	2.3	0.7
Gross capital formation, real	1.7	−0.1	1.6
Gross fixed capital formation, real	2.3	0.5	1.1
of which: equipment, real	2.9	2.8	1.7
of which: construction, real	1.7	−2.2	0.3
Domestic demand, real	0.4	1.6	0.9
Exports of goods and services, real	1.1	3.3	2.0
of which: goods, real	1.6	2.6	1.9
of which: tourism, real	−8.1	9.5	1.9
Imports of goods and services, real	1.2	3.0	1.9
of which: goods, real	1.1	1.2	1.9
of which: tourism, real	−14.8	25.6	2.0
Employment (employees)	1.1	1.4	0.6
Unemployment rate: national definition[i]	8.5	7.0	7.0
Unemployment rate: Eurostat definition[i]	5.7	5.4	5.4
Compensation per employee	3.3	6.4	3.0
GDP deflator	1.7	4.2	2.0
Consumer price index	1.6	5.1	2.3
Budget balance in % of GDP (Maastricht definition)[i]	−1.9	−4.1	−3.7
3-month Euribor[i]	−0.3	1.8	2.3
10-year government bond yield[i]	0.3	2.1	3.5

[i]absolute values

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

Table 2: International environment

Average annual change in percent

	2021–2025	2026–2030
GDP, real		
Germany	0.9	0.8
Italy	3.1	0.9
France	2.7	1.1
United Kingdom	3.2	1.4
Switzerland	2.7	1.5
USA	3.3	1.8
Japan	1.3	0.7
China	5.4	3.9
Poland	3.8	2.7
Slovakia	2.2	1.6
Czech Republic	2.1	2.4
Hungary	2.3	2.3
Slovenia	3.2	2.2
MOEL-5[i]	3.1	2.5
Bulgaria	4.0	2.7
Romania	2.7	2.1
Croatia	6.1	2.6
Euro area	2.6	1.1
NMS-4[ii]	2.9	2.5
EU-27	2.6	1.3
OECD	3.0	1.7
World	4.0	2.8
World trade (goods, CPB)	3.7	2.2
Austrian export markets	4.6	2.0
USD/EUR exchange rate[iii]	1.10	1.18
Oil price (USD/barrel Brent)[iii]	80.8	75.8

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

[ii] NMS-4: Poland, Czech Republic, Hungary, Romania

[iii] 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