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Press release

Medium-term Forecast of the Austrian Economy 2019–2023

Solid growth prospects for the Austrian economy

The Austrian economy is on a solid growth path. For the period 2019 to 2023, the Institute expects real GDP to grow by an average of 1.6 % per year, after 1.8 % in the past five years. Output in Austria should thus grow slightly more strongly than in the euro area (1.4 %). Private consumption remains a key pillar of growth, while the growth of investment and exports are projected to slow somewhat due to the restrained development of the global economy. The average inflation rate is likely to be 1 $\frac{3}{4}$ %. The labor market situation will probably not improve further, so that the unemployment rate according to the national definition will remain at a high level, with 7.2 % at the end of the forecast period. Public finances should develop positively. A status quo projection of public revenues and expenditures would result in a budget surplus that could be used to finance a tax reform. The Institute continues to point to the need for structural reforms in order to secure the long-term competitiveness of the Austrian economy.

Table 1: Main Results*Average annual change in percent*

	2009–2013	2014–2018	2019–2023
Gross domestic product, real	0,3	1,8	1,6
Private consumption, real	0,7	1,0	1,5
Gross capital formation, real	–0,8	3,4	1,7
Gross fixed capital formation, real	–0,2	2,7	1,6
of which: equipment, real	1,4	3,8	1,6
of which: construction, real	–2,0	1,4	1,5
Domestic demand, real	0,4	1,7	1,4
Exports of goods and services, real	0,9	3,6	2,9
of which: goods, real	1,0	3,7	3,1
of which: tourism, real	–0,6	2,7	1,0
Imports of goods and services, real	1,2	3,6	2,8
of which: goods, real	0,8	3,2	2,8
of which: tourism, real	–1,9	4,4	1,1
Employment (employees)	0,7	1,5	1,0
Unemployment rate: national definition ¹	7,1	8,5	7,3
Unemployment rate: Eurostat definition ¹	5,0	5,5	4,6
Compensation per employee	2,1	2,0	2,4
GDP deflator	1,7	1,7	1,8
Consumer price index	2,0	1,5	1,8
Budget balance in % of GDP (Maastricht definition) ¹	–3,3	–1,2	0,9
3-months Euribor ¹	0,8	–0,1	–0,2
10-year government bond yields ¹	2,9	0,8	0,6

¹ absolute values

Source: Statistik Austria, own calculations

Table 2: International Environment
Average annual change in percent

	2014–2018	2019–2023
GDP, real		
Germany	1,9	1,3
Italy	0,9	0,5
France	1,4	1,4
United Kingdom	2,1	1,3
Switzerland	1,9	1,6
USA	2,4	1,8
Japan	1,0	0,7
China	6,9	5,8
Poland	4,0	3,3
Slovakia	3,5	3,0
Czech Republic	3,6	2,5
Hungary	3,8	2,8
Slovenia	3,5	2,7
MOEL-5 ¹	3,8	3,0
Bulgaria	3,2	2,9
Romania	4,6	3,2
Croatia	2,3	2,3
Russia	0,5	1,7
Euro area	1,9	1,4
NMS-6 ²	3,9	3,0
EU-27 ³	2,1	1,6
OECD	2,3	1,8
World	3,6	3,4
World trade (goods, CPB)	2,9	2,9
Austrian export markets	3,8	3,2
USD/EUR exchange rate ⁴	1,17	1,16
Oil price (Brent, USD/barrel) ⁴	64,8	64,0

¹MOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia ²NMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia ³excluding the United Kingdom ⁴absolute values

Source: Eurostat, IWF, OECD, CPB, national statistical offices, own calculations

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