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Press release

Forecast of the Austrian Economy 2019–2021

Gradual Economic Recovery

The weakness of the global economy is weighing on the Austrian economy. After 2.4 % in the previous year, GDP growth is estimated to edge down to 1.6 % in the current year. For the years 2020 and 2021, growth is projected at 1.3 % and 1.6 % respectively. While exports are unlikely to gain momentum, consumption will be the key driver of growth. Inflation will remain moderate in the coming two years at 1.5 % and 1.7 % respectively. The labor market is not expected to improve any further; on the contrary, the unemployment rate will rise slightly to 7.5 %. In addition to a necessary reform of the tax structure with a reduction of the tax burden, the new government should address the areas education, research, digitalization, demographics, and climate change.

Figure 1: GDP, private consumption, investment

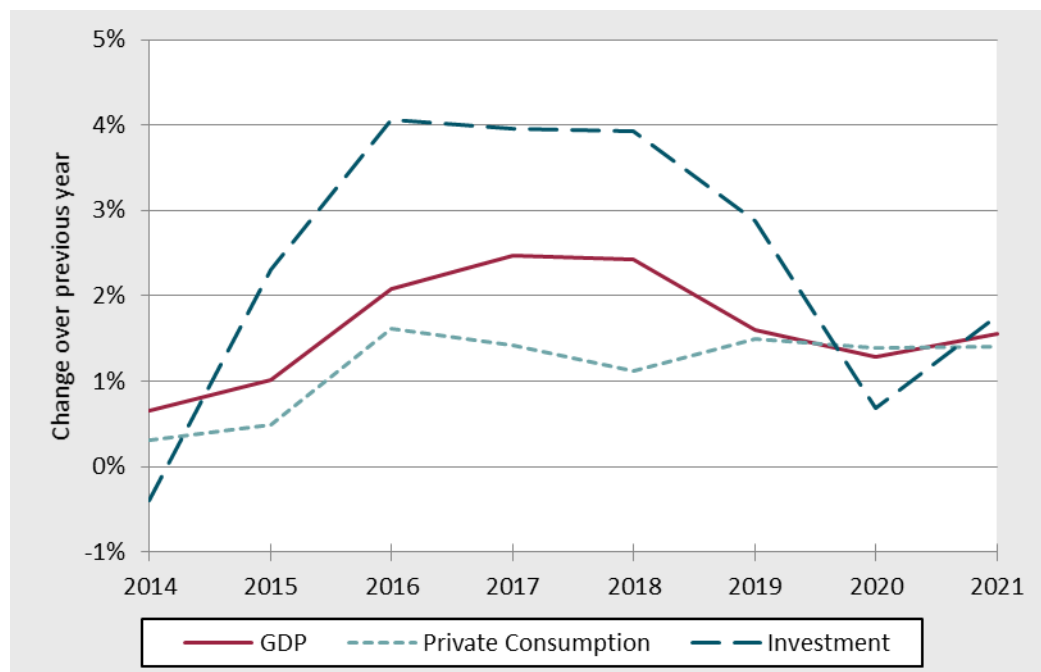


Table 1: Main results*Change over previous year in percent*

	2019	2020	2021
Gross domestic product, real	1,6	1,3	1,6
Private consumption, real	1,5	1,4	1,4
Gross capital formation, real	3,1	0,7	1,8
Gross fixed capital formation, real	2,9	0,7	1,8
of which: equipment, real	3,4	0,3	2,0
of which: construction, real	2,3	1,2	1,5
Domestic demand, real	1,7	1,1	1,4
Exports of goods and services, real	2,8	1,6	2,6
of which: goods, real	2,3	1,8	2,8
of which: tourism, real	1,3	0,8	1,3
Imports of goods and services, real	3,1	1,4	2,4
of which: goods, real	2,3	1,3	2,5
of which: tourism, real	5,0	1,5	2,0
Employment (employees)	1,6	0,8	0,9
Unemployment rate: national definition ¹	7,3	7,5	7,5
Unemployment rate: Eurostat definition ¹	4,6	4,8	4,8
Compensation per employee	2,7	2,2	2,3
GDP deflator	1,7	1,6	1,7
Consumer price index	1,5	1,5	1,7
Budget balance in % of GDP (Maastricht definition) ¹	0,5	0,2	0,4
Three-month Euribor ¹	-0,4	-0,4	-0,3
Ten-year government bond yield ¹	0,0	0,2	0,3

¹ absolute values

Source: Statistik Austria, own calculations

Table 2: International environment
Change over previous year in percent

	2017	2018	2019	2020	2021
GDP, real					
Germany	2,5	1,5	0,5	1,0	1,5
Italy	1,7	0,8	0,2	0,5	0,6
France	2,3	1,7	1,3	1,3	1,3
United Kingdom	1,9	1,4	1,3	1,0	1,2
Switzerland	1,8	2,8	0,9	1,5	1,4
USA	2,4	2,9	2,3	1,8	1,5
Japan	1,9	0,8	1,0	0,6	0,8
China	6,8	6,6	6,2	5,8	5,7
Poland	4,9	5,1	4,2	3,5	3,2
Slovakia	3,0	4,0	2,5	2,4	2,6
Czech Republic	4,4	3,0	2,6	2,3	2,3
Hungary	4,3	5,1	4,7	2,7	2,7
Slovenia	4,8	4,1	2,5	2,7	2,6
MOEL-5 ¹	4,5	4,5	3,7	3,0	2,9
Bulgaria	3,5	3,1	3,6	3,0	2,9
Romania	7,1	4,0	4,0	3,0	3,0
Croatia	3,1	2,7	2,8	2,5	2,5
Russia	1,6	2,3	1,0	1,5	1,7
Euro area	2,5	1,9	1,1	1,2	1,4
NMS-6 ²	5,0	4,4	3,8	3,1	2,9
EU-27 ³	2,7	2,1	1,4	1,4	1,6
OECD	2,7	2,3	1,8	1,7	1,6
World	3,7	3,5	3,0	3,0	3,1
World trade (goods, CPB)	4,8	3,4	-0,6	1,2	2,5
Austrian export markets	5,8	3,7	1,7	1,9	2,5
USD/EUR exchange rate ⁴	1,13	1,18	1,12	1,11	1,11
Oil price (Brent, USD/barrel) ⁴	54,8	71,7	64,6	62,0	59,0

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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