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Press release

Forecast of the Austrian Economy 2020

Coronavirus causes a recession in Austria

The corona pandemic and the measures taken to contain it are causing a considerable global economic downturn. For Austria, the Institute expects real GDP to decline by at least 2 % in the year 2020. This forecast is subject to an exceptionally high downside risk, as the depth of the economic slump will depend on the further course of the pandemic as well as on the macroeconomic support and health policy measures and their effectiveness. As a result of the partial halt in production, unemployment is rising sharply, at least temporarily. The extensive support measures taken by the Federal Government are necessary to stabilise the economy, but will place a considerable burden on the budget.

Table 1: Main results

Change over previous year in percent

	2019	2020
Gross domestic product, real	1,6	-2,0
Employment (employees)	1,6	-1,1
Unemployment rate: national definition*	7,4	8,4
Consumer price index	1,5	1,3
Budget balance in % of GDP (Maastricht definition)*	0,5	-5,0

Source: Statistik Austria, own calculations

*absolute values

Table 2: International environment
Change over previous year in percent

	2017	2018	2019	2020
GDP, real				
Germany	2,5	1,5	0,6	-1,5
Italy	1,7	0,8	0,2	-4,0
USA	2,4	2,9	2,3	0,0
China	6,9	6,7	6,1	4,7
MOEL-5 ⁱ	4,5	4,5	3,6	0,7
Euro area	2,5	1,9	1,2	-2,0
EU-27	2,7	2,1	1,5	-1,8
OECD	2,7	2,3	1,8	-0,5
World	3,7	3,5	2,9	1,6
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World trade (goods, CPB)	5,2	3,8	-0,4	-2,5
Austrian export markets	5,8	3,7	1,7	-2,4
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USD/EUR exchange rate*	1,13	1,18	1,12	1,11
Oil price (Brent, USD/barrel)*	54,8	71,7	64,6	46,0

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

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

* absolute values

Contact for further inquiries

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