

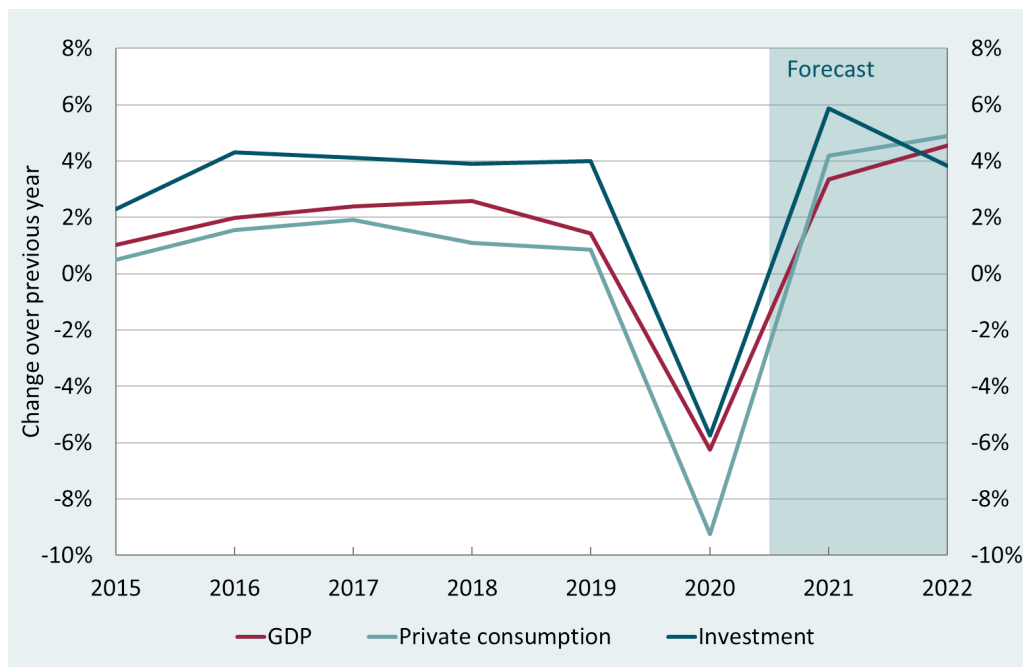
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Forecast of the Austrian Economy 2021–2022

Strong economic upswing in Austria

With the successful fight against the coronavirus pandemic, the Austrian economy gained strong momentum in spring. The Institute has therefore raised its forecast for economic growth in the current year to 3.4 %. For 2022, a growth rate of 4.5 % is expected. With the economic recovery, the unemployment rate is expected to fall to 8.4 % this year and 7.9 % next year, respectively, thus remaining above the pre-crisis level. In line with the international developments, inflation is expected to climb to 2.2 % on average in 2021 and should reach 2.0 % next year. With the improved economic situation and the discontinuation of the COVID-19 support measures, the budget deficit should decline significantly, especially in the coming year. Economic policy strategies to strengthen the competitiveness of the Austrian economy and to achieve the climate targets should be developed and implemented.

Figure 1: GDP, private consumption, investment



Sources: Statistics Austria, from 2021 forecast of IHS

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

| | 2020 | 2021 | 2022 |
|---|-------|-------|------|
| Gross domestic product, real | -6.3 | 3.4 | 4.5 |
| Private consumption, real | -9.2 | 4.2 | 4.9 |
| Gross capital formation, real | -5.6 | 5.8 | 4.1 |
| Gross fixed capital formation, real | -5.7 | 5.9 | 3.8 |
| of which: equipment, real | -7.9 | 8.0 | 5.0 |
| of which: construction, real | -3.1 | 3.5 | 2.5 |
| Domestic demand, real | -5.9 | 4.0 | 3.7 |
| Exports of goods and services, real | -10.0 | 7.2 | 8.5 |
| of which: goods, real | -6.4 | 9.2 | 5.0 |
| of which: tourism, real | -39.6 | -21.7 | 95.0 |
| Imports of goods and services, real | -9.6 | 8.7 | 7.3 |
| of which: goods, real | -6.8 | 8.8 | 4.8 |
| of which: tourism, real | -64.5 | 25.0 | 98.8 |
| Employment (employees) | -2.0 | 2.0 | 1.8 |
| Unemployment rate: national definition ⁱ | 9.9 | 8.4 | 7.9 |
| Unemployment rate: Eurostat definition ⁱ | 5.4 | 5.3 | 5.1 |
| Compensation per employee | 0.3 | 1.5 | 2.3 |
| GDP deflator | 1.2 | 1.9 | 1.9 |
| Consumer price index | 1.4 | 2.2 | 2.0 |
| Budget balance in % of GDP (Maastricht definition) ⁱ | -8.9 | -7.4 | -3.7 |
| 3-month Euribor ⁱ | -0.4 | -0.5 | -0.5 |
| 10-year government bond yield ⁱ | -0.3 | -0.1 | 0.0 |

ⁱabsolute values

Sources: Statistics Austria, Refinitiv Datastream, from 2021 forecast of IHS

Table 2: International environment
Change over previous year in percent

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| GDP, real | | | | | |
| Germany | 1.3 | 0.6 | -4.8 | 3.7 | 4.5 |
| Italy | 0.9 | 0.3 | -8.9 | 4.5 | 4.5 |
| France | 1.9 | 1.8 | -7.9 | 5.8 | 4.0 |
| United Kingdom | 1.3 | 1.4 | -9.8 | 6.0 | 5.5 |
| Switzerland | 3.0 | 1.1 | -2.7 | 3.5 | 3.2 |
| USA | 3.0 | 2.2 | -3.5 | 6.5 | 3.8 |
| Japan | 0.6 | 0.3 | -4.7 | 2.8 | 2.3 |
| China | 6.7 | 6.1 | 2.3 | 8.0 | 5.3 |
| Poland | 5.4 | 4.7 | -2.7 | 4.0 | 4.5 |
| Slovakia | 3.7 | 2.5 | -4.8 | 4.3 | 4.8 |
| Czech Republic | 3.2 | 2.3 | -5.6 | 3.3 | 4.4 |
| Hungary | 5.4 | 4.6 | -5.0 | 4.8 | 5.0 |
| Slovenia | 4.4 | 3.2 | -5.5 | 4.5 | 4.5 |
| MOEL-5 ⁱ | 4.8 | 3.8 | -3.9 | 4.0 | 4.6 |
| Bulgaria | 3.1 | 3.7 | -4.2 | 3.3 | 4.3 |
| Romania | 4.5 | 4.1 | -3.9 | 5.3 | 4.5 |
| Croatia | 2.8 | 2.9 | -8.0 | 4.8 | 4.8 |
| Russia | 2.8 | 2.0 | -3.0 | 3.3 | 2.8 |
| Euro area | 1.9 | 1.3 | -6.5 | 4.4 | 4.2 |
| NMS-6 ⁱⁱ | 4.6 | 4.1 | -3.9 | 4.2 | 4.5 |
| EU-27 | 2.1 | 1.6 | -6.1 | 4.4 | 4.3 |
| OECD | 2.3 | 1.6 | -4.7 | 5.0 | 3.9 |
| World | 3.4 | 2.7 | -3.5 | 5.5 | 4.4 |
| World trade (goods, CPB) | 3.4 | -0.3 | -5.4 | 10.0 | 3.5 |
| Austrian export markets | 4.0 | 2.1 | -8.8 | 8.2 | 6.7 |
| USD/EUR exchange rate ⁱⁱⁱ | 1.18 | 1.12 | 1.14 | 1.21 | 1.21 |
| Oil price (Brent, USD/barrel) ⁱⁱⁱ | 71.7 | 64.2 | 43.4 | 68.0 | 68.0 |

ⁱMOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia

ⁱⁱNMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia

ⁱⁱⁱabsolute values

Sources: Eurostat, IMF, OECD, CPB, national statistical offices, from 2021 forecast of IHS

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