

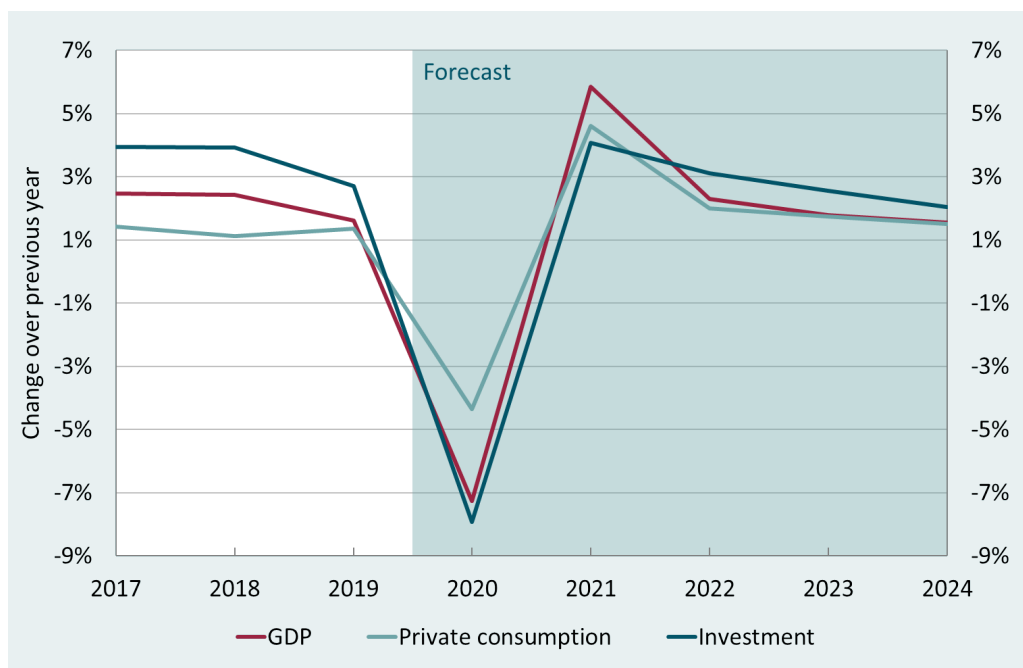
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## Forecast of the Austrian Economy 2020–2024

### High uncertainty and moderate growth due to the coronavirus crisis

The coronavirus crisis and the containment measures have triggered a very deep global recession. In the current year, gross domestic product in Austria is likely to fall by a historic 7 ¼ %. However, the economic recovery should begin as early as the second half of the current year, and economic output should return to pre-crisis levels in the course of 2022. For the entire forecast period 2020 to 2024, the IHS expects real GDP to increase by an average of ¾ % per year. The economic recovery will trigger a gradual pick-up of Inflation; however, with a maximum of 2 ¼ % in 2024, the inflationary pressure should remain moderate. The coronavirus crisis has caused an extremely sharp rise in unemployment. However, starting from 10 ¼ % this year, the unemployment rate should fall to 8 % by the end of the forecast period. Public budgets will be heavily burdened by the deep economic slump and the necessary fiscal policy measures. Economic policy should focus on strengthening the growth potential, which would facilitate the necessary budget consolidation.

**Figure 1: GDP, private consumption, investment**



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

	2010–2014	2015–2019	2020–2024
Gross domestic product, real	1.2	1.9	0.7
Private consumption, real	0.6	1.2	1.1
Gross capital formation, real	1.5	3.5	0.4
Gross fixed capital formation, real	1.2	3.4	0.7
of which: equipment, real	2.5	4.6	0.7
of which: construction, real	-0.3	2.0	0.7
Domestic demand, real	1.0	1.8	0.9
Exports of goods and services, real	4.7	4.0	1.4
of which: goods, real	5.3	3.9	1.6
of which: tourism, real	0.5	3.3	-0.5
Imports of goods and services, real	4.4	3.9	1.7
of which: goods, real	4.0	3.6	1.8
of which: tourism, real	-1.7	4.5	0.0
Employment (employees)	1.1	1.7	0.4
Unemployment rate: national definition <sup>i</sup>	7.3	8.3	8.8
Unemployment rate: Eurostat definition <sup>i</sup>	5.1	5.3	5.3
Compensation per employee	2.0	2.2	1.9
GDP deflator	1.7	1.7	1.6
Consumer price index	2.2	1.5	1.7
Budget balance in % of GDP (Maastricht definition) <sup>i</sup>	-2.5	-0.8	-4.7
Three-month Euribor <sup>i</sup>	0.6	-0.3	-0.3
Ten-year government bond yield <sup>i</sup>	2.4	0.5	0.1

<sup>i</sup> absolute values

Source: Statistik Austria, own calculations

**Table 2: International environment***Average annual change in percent*

	2015–2019	2020–2024
GDP, real		
Germany	1.7	0.6
Italy	1.0	0.4
France	1.6	0.4
United Kingdom	1.8	0.6
Switzerland	1.7	1.0
USA	2.4	0.9
Japan	1.0	0.1
China	6.7	4.6
Poland	4.2	1.8
Slovakia	3.2	0.7
Czech Republic	3.7	1.2
Hungary	4.1	1.7
Slovenia	3.3	1.3
MOEL-5 <sup>i</sup>	3.9	1.5
Bulgaria	3.6	1.4
Romania	4.9	1.9
Croatia	2.9	0.6
Russia	0.7	0.6
Euro area	1.9	0.6
NMS-6 <sup>ii</sup>	4.1	1.6
EU-27 <sup>iii</sup>	2.2	0.7
OECD	2.3	0.8
World	3.5	2.1
World trade (goods, CPB)	2.2	0.9
Austrian export markets	3.7	1.5
USD/EUR exchange rate <sup>iv</sup>	1.13	1.11
Oil price (Brent, USD/barrel) <sup>iv</sup>	57.8	50.7

<sup>i</sup> MOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia<sup>ii</sup> NMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatia<sup>iii</sup> excluding the United Kingdom<sup>iv</sup> absolute values

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

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