

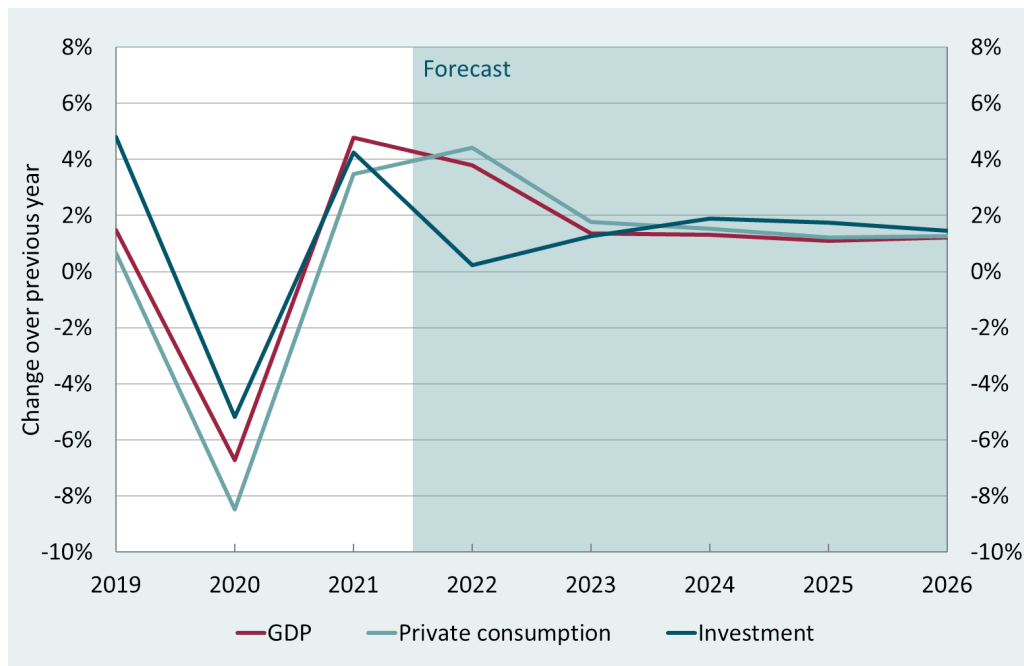
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Forecast of the Austrian Economy 2022–2026

Subdued growth overshadowed by energy transition and inflation

High inflation and the turmoil resulting from the war against Ukraine are slowing down the global economic recovery after the COVID-19 pandemic. For the forecast period 2022 to 2026, IHS expects real GDP in Austria to increase by an average of 1 ¾ % per year. In 2022, inflation is expected to climb to an average rate of 7 ½ %, which has been primarily driven by rising energy prices. By 2026, inflationary pressures should ease noticeably, so that inflation should fall to 2 ¼ %. The unemployment rate is expected to be 6 ¼ % over the entire forecast period. Having had to focus on immediate crisis management in recent years, economic policy should now return to strengthening the Austrian economy's potential output and supporting the energy transition.

Figure 1: GDP, private consumption, investment



Sources: Statistics Austria, from 2022 IHS forecast

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

	2012–2016	2017–2021	2022–2026
Gross domestic product, real	0.9	0.8	1.8
Private consumption, real	0.6	–0.3	2.0
Gross capital formation, real	1.4	2.5	1.0
Gross fixed capital formation, real	1.7	2.4	1.3
of which: equipment, real	3.1	2.5	1.5
of which: construction, real	0.2	2.4	1.1
Domestic demand, real	0.9	1.0	1.4
Exports of goods and services, real	2.2	3.0	3.9
of which: goods, real	1.8	4.4	3.0
of which: tourism, real	1.6	–15.5	20.9
Imports of goods and services, real	2.4	3.7	3.3
of which: goods, real	1.6	3.8	3.2
of which: tourism, real	0.5	–5.0	10.5
Employment (employees)	1.1	1.3	1.1
Unemployment rate: national definition ⁱ	8.2	8.3	6.2
Unemployment rate: Eurostat definition ⁱ	5.9	5.7	4.5
Compensation per employee	2.3	2.3	4.1
GDP deflator	2.0	1.6	3.2
Consumer price index	1.6	2.0	4.0
Budget balance in % of GDP (Maastricht definition) ⁱ	–1.9	–2.8	–1.7
3-month Euribor ⁱ	0.1	–0.4	1.9
10-year government bond yield ⁱ	1.4	0.2	2.7

ⁱabsolute values

Sources: Statistics Austria, Refinitiv Datastream, from 2022 IHS forecast

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

	2017–2021	2022–2026
GDP, real		
Germany	0.6	1.6
Italy	0.0	1.5
France	0.9	1.6
United Kingdom	0.6	1.7
Switzerland	1.4	1.8
USA	1.9	1.8
Japan	–0.2	1.2
China	6.0	4.7
Poland	3.7	3.4
Slovakia	1.5	3.1
Czech Republic	1.7	2.5
Hungary	3.3	3.3
Slovenia	3.2	3.2
MOEL-5 ⁱ	3.0	3.2
Bulgaria	1.8	2.8
Romania	3.6	3.6
Croatia	2.2	3.2
Russia	1.7	–1.8
Euro area	0.9	1.7
NMS-6 ⁱⁱ	3.1	3.2
EU-27	1.2	1.9
OECD	1.5	1.9
World	2.6	2.8
World trade (goods, CPB)	2.5	3.0
Austrian export markets	2.5	3.1
USD/EUR exchange rate ⁱⁱⁱ	1.15	1.08
Oil price (Brent, USD/barrel) ⁱⁱⁱ	60.4	91.6

ⁱMOEL-5: Poland, Slovakia, Czech Republic, Hungary, SloveniaⁱⁱNMS-6: Poland, Czech Republic, Hungary, Bulgaria, Romania, Croatiaⁱⁱⁱabsolute values

Sources: Eurostat, IMF, OECD, CPB, national statistical offices, Refinitiv Datastream, from 2022 IHS forecast

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