

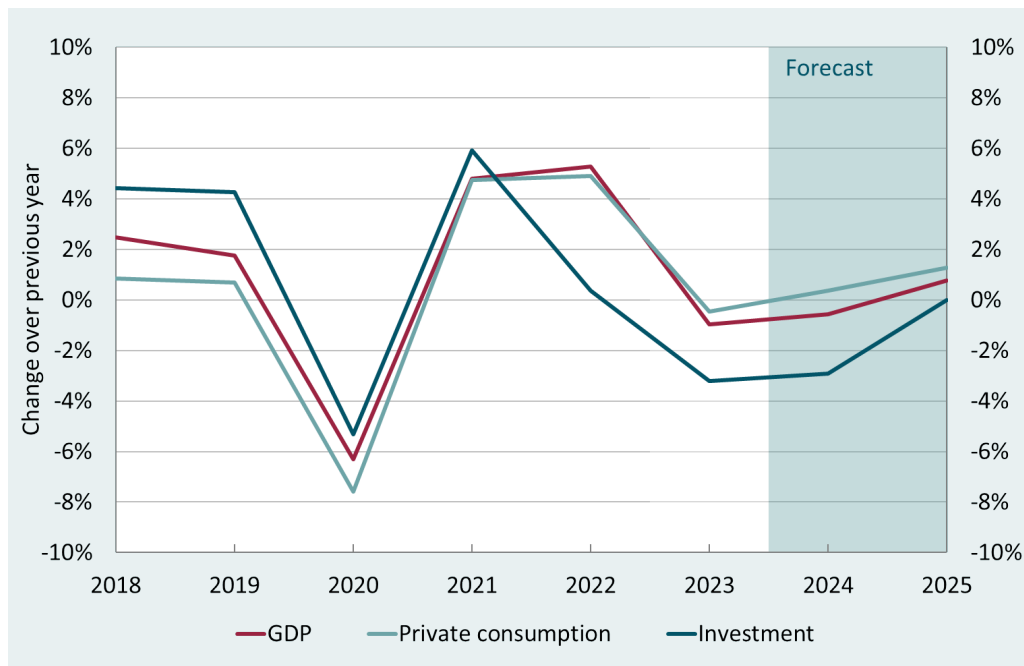
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Autumn Forecast of the Austrian Economy 2024–2025

Austria's economy falls behind in Europe

Austrian real GDP continued to decline in the first half of the year. The recession in industry and in construction has continued, and despite real income growth, consumption has not picked up. Leading indicators do not point to a rapid recovery. IHS is therefore forecasting a 0.6 % decline in GDP in the current year. In 2025, output is likely to increase by 0.8 %. Inflation, as measured by the annual change of the consumer price index, should fall to 3.0 % this year and to 2.4 % next year. The unemployment rate is likely to rise to 7.0 % and 7.2 % respectively. IHS expects the general government budget deficit, according to the Maastricht Treaty, to rise to 3.5 % of GDP this year and to remain at approximately that level next year without consolidation measures.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2024 IHS forecast

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

| | 2023 | 2024 | 2025 |
|---|-------|------|------|
| Gross domestic product, real | -1.0 | -0.6 | 0.8 |
| Private consumption, real | -0.5 | 0.4 | 1.3 |
| Gross capital formation, real | -13.0 | -3.0 | 0.3 |
| Gross fixed capital formation, real | -3.2 | -2.9 | 0.0 |
| of which: equipment, real | 2.4 | -2.0 | 0.0 |
| of which: construction, real | -9.3 | -4.0 | 0.0 |
| Domestic demand, real | -3.5 | -0.4 | 0.8 |
| Exports of goods and services, real | -0.4 | -3.4 | 2.2 |
| of which: goods, real | -0.4 | -4.8 | 2.0 |
| of which: tourism, real | 13.9 | 1.8 | 2.0 |
| Imports of goods and services, real | -4.6 | -3.6 | 2.4 |
| of which: goods, real | -7.4 | -4.8 | 2.3 |
| of which: tourism, real | 14.8 | 1.5 | 2.0 |
| Employment (employees) | 1.2 | 0.2 | 0.5 |
| Unemployment rate: national definition ⁱ | 6.4 | 7.0 | 7.2 |
| Unemployment rate: Eurostat definition ⁱ | 5.1 | 5.1 | 5.1 |
| Compensation per employee | 6.8 | 8.0 | 3.8 |
| GDP deflator | 6.6 | 4.0 | 2.4 |
| Consumer price index | 7.8 | 3.0 | 2.4 |
| Budget balance in % of GDP (Maastricht definition) ⁱ | -2.6 | -3.5 | -3.4 |
| 3-month Euribor ⁱ | 3.4 | 3.6 | 2.5 |
| 10-year government bond yield ⁱ | 3.1 | 2.8 | 2.8 |

ⁱabsolute values

Source: Statistics Austria, LSEG Datastream, from 2024 IHS forecast

Table 2: International environment
Change over previous year in percent

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------|-------|------|------|------|
| GDP, real | | | | | |
| Germany | 3.4 | 1.7 | -0.3 | 0.0 | 0.8 |
| Italy | 8.9 | 4.7 | 0.7 | 0.9 | 1.1 |
| France | 6.9 | 2.6 | 0.9 | 1.1 | 1.1 |
| United Kingdom | 8.6 | 4.8 | 0.1 | 1.0 | 1.3 |
| Switzerland | 5.6 | 3.0 | 0.7 | 1.5 | 1.4 |
| USA | 5.8 | 1.9 | 2.5 | 2.6 | 1.7 |
| Japan | 2.7 | 1.2 | 1.7 | 0.3 | 1.0 |
| China | 8.4 | 3.0 | 5.2 | 4.8 | 4.5 |
| Poland | 6.9 | 5.6 | 0.2 | 3.0 | 3.5 |
| Slovakia | 4.8 | 1.9 | 1.6 | 2.3 | 2.8 |
| Czech Republic | 4.0 | 2.8 | -0.1 | 1.0 | 2.8 |
| Hungary | 7.1 | 4.6 | -0.9 | 1.5 | 3.0 |
| Slovenia | 8.4 | 2.7 | 2.1 | 1.5 | 2.5 |
| MOEL-5 ⁱ | 6.3 | 4.5 | 0.2 | 2.3 | 3.2 |
| Bulgaria | 7.7 | 3.9 | 1.8 | 2.3 | 3.0 |
| Romania | 5.7 | 4.1 | 2.1 | 1.8 | 3.0 |
| Croatia | 13.0 | 7.0 | 3.1 | 3.3 | 2.8 |
| Russia | 5.9 | -1.2 | 3.6 | 3.8 | 1.8 |
| Euro area | 6.2 | 3.3 | 0.4 | 0.7 | 1.3 |
| NMS-5 ⁱⁱ | 6.2 | 4.7 | 0.4 | 2.2 | 3.2 |
| EU-27 | 6.2 | 3.3 | 0.4 | 0.8 | 1.5 |
| OECD | 6.0 | 3.0 | 1.7 | 1.8 | 1.8 |
| World | 6.4 | 3.4 | 3.0 | 3.0 | 3.1 |
| World trade (goods, CPB) | 10.0 | 3.2 | -1.1 | 1.3 | 2.5 |
| Austrian export markets | 10.4 | 7.1 | -0.8 | 0.0 | 2.5 |
| USD/EUR exchange rate ⁱⁱⁱ | 1.18 | 1.05 | 1.08 | 1.09 | 1.10 |
| Oil price (Brent, USD/barrel) ⁱⁱⁱ | 70.7 | 100.8 | 82.6 | 80.6 | 72.5 |

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

ⁱⁱNMS-5: Poland, Czech Republic, Hungary, Bulgaria, Romania

ⁱⁱⁱabsolute values

Source: Eurostat, IMF, OECD, CPB, national statistical offices, LSEG Datastream, from 2024 IHS forecast

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