

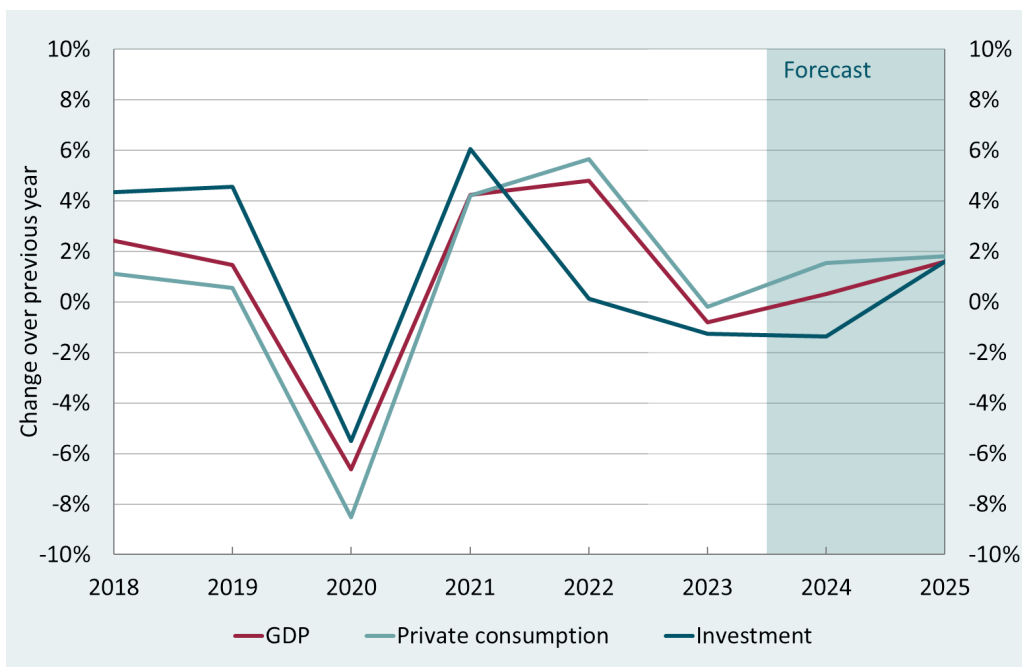
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Summer Forecast of the Austrian Economy 2024–2025

The economy still lacks momentum

Since the last quarter of 2023, Austria’s economy has been growing quarter-on-quarter, albeit slowly. The economy should gain momentum in the second half of this year as export demand from the euro area picks up. As a result, GDP should increase by 0.3 % in the current year and by 1.6 % in the coming year. Inflation, as measured by the change in the consumer price index, should fall to 3.2 % this year and 2.7 % next year. In line with economic development, the unemployment rate is likely to rise to 6.9 % this year and fall to 6.6 % in 2025. The general government deficit in accordance with the Maastricht Treaty could rise to 3.0 % of GDP this year, up from 2.6 % last year, and remain at approximately the same level next year.

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	-0.8	0.3	1.6
Private consumption, real	-0.2	1.5	1.8
Gross capital formation, real	-6.1	-2.1	2.6
Gross fixed capital formation, real	-1.3	-1.4	1.6
of which: equipment, real	1.8	0.0	2.5
of which: construction, real	-4.7	-3.0	0.5
Domestic demand, real	-2.1	0.5	1.5
Exports of goods and services, real	-0.2	1.2	2.2
of which: goods, real	0.7	1.0	2.0
of which: tourism, real	9.7	1.8	2.0
Imports of goods and services, real	-2.3	1.2	2.4
of which: goods, real	-3.9	0.7	2.3
of which: tourism, real	21.5	1.5	2.0
Employment (employees)	1.2	0.4	0.8
Unemployment rate: national definition ⁱ	6.4	6.9	6.6
Unemployment rate: Eurostat definition ⁱ	5.1	5.1	4.8
Compensation per employee	7.8	7.8	3.8
GDP deflator	7.8	4.6	2.5
Consumer price index	7.8	3.2	2.7
Budget balance in % of GDP (Maastricht definition) ⁱ	-2.6	-3.0	-2.9
3-month Euribor ⁱ	3.4	3.7	2.8
10-year government bond yield ⁱ	3.1	3.0	3.0

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	3.2	1.8	-0.2	0.4	1.5
Italy	8.3	4.0	0.9	0.9	1.1
France	6.4	2.5	0.7	0.8	1.3
United Kingdom	8.7	4.3	0.1	0.7	1.2
Switzerland	5.4	2.7	0.7	1.5	1.4
USA	5.8	1.9	2.5	2.3	1.7
Japan	2.6	1.0	1.9	0.3	1.0
China	8.4	3.0	5.2	4.8	4.5
Poland	6.9	5.6	0.2	2.8	3.3
Slovakia	4.8	1.9	1.6	2.3	2.8
Czech Republic	3.6	2.4	-0.3	1.0	2.8
Hungary	7.1	4.6	-0.9	2.5	3.0
Slovenia	8.2	2.5	1.6	2.3	2.5
MOEL-5 ⁱ	6.2	4.4	0.2	2.4	3.1
Bulgaria	7.7	3.9	1.8	2.5	3.0
Romania	5.7	4.1	2.1	2.8	3.5
Croatia	13.0	7.0	3.1	3.3	2.8
Russia	5.9	-1.2	3.6	2.8	1.8
Euro area	5.9	3.4	0.5	0.8	1.5
NMS-5 ⁱⁱ	6.2	4.6	0.4	2.5	3.2
EU-27	6.0	3.4	0.5	0.9	1.7
OECD	6.0	3.0	1.7	1.7	1.8
World	6.4	3.4	3.1	3.0	3.1
World trade (goods, CPB)	10.0	2.7	-1.9	1.3	2.5
Austrian export markets	10.4	7.1	-0.8	1.8	3.8
USD/EUR exchange rate ⁱⁱⁱ	1.18	1.05	1.08	1.08	1.08
Oil price (Brent, USD/barrel) ⁱⁱⁱ	70.7	100.8	82.6	81.5	76.7

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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