

Austrian Draft Budgetary Plan 2025 and 2026

Vienna, May 2025

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1 Introduction

According to Article 4(2) of Regulation (EU) 473/2013, Draft Budgetary Plans must be prepared by October 15 of each year. These must contain the draft budget for the following year for the central government and the most important parameters for all other sub-sectors of the general government sector. This reporting obligation is a central instrument of fiscal policy coordination in the euro area.

Even though Regulation (EU) 473/2013 was not part of the most recent reform of the EU fiscal rules, there are nevertheless new interactions between the requirement to submit annual draft budgetary plans and the reformed economic governance of the EU.

Firstly, the practice of submitting “*no-policy-change Draft Budgetary Plans*” to the Commission in mid-October has been adapted if no draft budget has been submitted to the national parliaments, e.g. in the case of transitional governments. This original obligation to submit “*no-policy-change Draft Budgetary Plans*” no longer exists. Instead, in such cases, a simplified technical exchange on macroeconomic and budgetary projections takes place between the national authorities and the Commission in the fall. The submission of an overview of the budget planning is only required if a draft budget law is also submitted to the national parliament. This procedure corresponds to the current situation in Austria. A caretaker government was in office in mid-October 2024. At this time, a simplified technical exchange between the Federal Ministry of Finance and the European Commission took place. Following the inauguration of the new federal government and the simultaneous submission of the double budget for 2025 and 2026 on 13 May, the Austrian draft budgetary plan for 2025 and 2026 is now also being submitted.

The second innovation concerns the first presentation of net expenditure growth in the current budget for 2025 and 2026. The Draft Budgetary Plans of the euro countries in mid-October and the Annual Progress Reports of all EU member states at the end of April are key documents for monitoring the implementation of the national net expenditure path adopted by the Council. The medium-term Fiscal Structural Plans set out the medium-term budget targets, while the Draft Budgetary Plans summarize the detailed budget targets for the coming year and outline the measures required to achieve these targets. This means that the presented Austrian Draft Budgetary Plan for 2025 and 2026 includes the illustration of net expenditure growth for the first time. This information will enable

the European Commission to monitor compliance with the Austrian net expenditure path presented in the Austrian medium-term Fiscal Structural Plan 2025-2029, which was submitted at the same time as this Draft Budgetary Plan for 2025-2026 and the 2025 Annual Progress Report and is still to be approved by the Council.

2 Economic situation in Austria

2.1 Economic development (2024-2026)

In recent years, the underlying conditions for the Austrian economy have been shaped by the macroeconomic consequences of Russia's war of aggression against Ukraine and its knock-on effects. Among other factors, weak foreign demand, higher energy and consumer prices and the associated tightening of monetary policy in the euro area weighed on the domestic economy. Against this backdrop, Austria's economic output has been contracting for ten quarters – excluding two quarters of economic stagnation. Since the beginning of the downturn, price-adjusted gross domestic product (GDP) has fallen by 3.3 %. The current recession is therefore less deep than previous ones, but it lasts for an extraordinarily long period. From a sectoral perspective, the production sector and trade have been particularly affected.

In 2024, real economic output of Austria contracted by 1.2 %. External demand was dampened by weak growth in Germany, Austria's most important trading partner by far, and the European industrial recession. Consequently, Austria's exports of goods decreased sharply by 5.9 % in real terms. Investment also remained weak amid uncertain growth prospects and higher wage, energy, and financing costs. Gross fixed capital formation fell by 3.4 % in 2024. Private consumption did not stabilise the economy as usual but stagnated despite a considerable increase in real disposable household income, which was reflected in an increase in the saving ratio.

The manufacturing sector recorded a 5.5 % decline in gross value added in real terms last year. Besides weak demand from major trading partners, higher interest rates, the construction recession and elevated energy prices also weighed on domestic industry. The recession in the construction sector continued, with a decline of 4.4 %. Value added in the trade sector also declined further (-1.7 %). Some services sectors were able to expand.

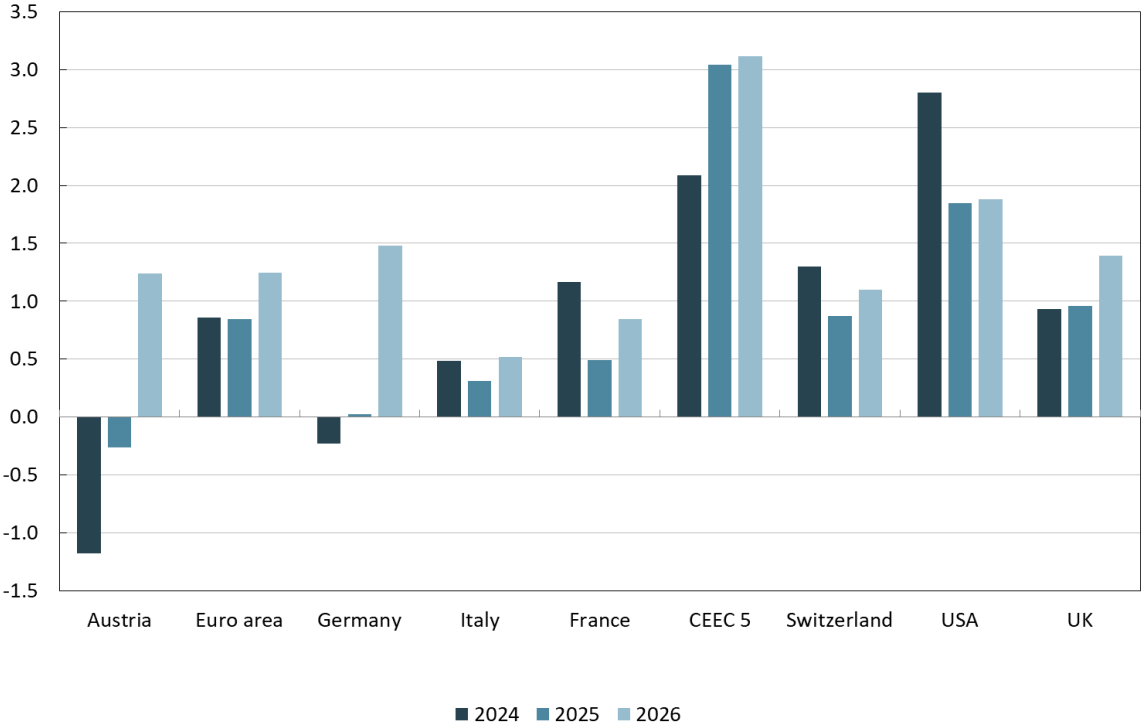
Due to the decline in inflation in the euro area – and in Austria – and the ongoing easing of monetary policy, economic headwinds are abating. The expected fiscal stimulus in Germany will also contribute to an improvement in the economic environment. These developments contrast with the tariff threats of the United States, Austria's second most

important trading partner. The economic impact is uncertain given the erratic US trade policy, but the high level of trade policy uncertainty is a burden in any case.

In its March 2025 economic forecast, the Austrian Institute of Economic Research (WIFO) assesses international economic developments as follows: The German economy is likely to stagnate this year, but expansionary fiscal policy should boost economic growth to 1.5 % next year. In the euro area, economic growth is expected to accelerate from 0.8 % this year to 1.2 % next year. In the short-term forecast horizon, the US economy is likely to grow less dynamically than in previous years.

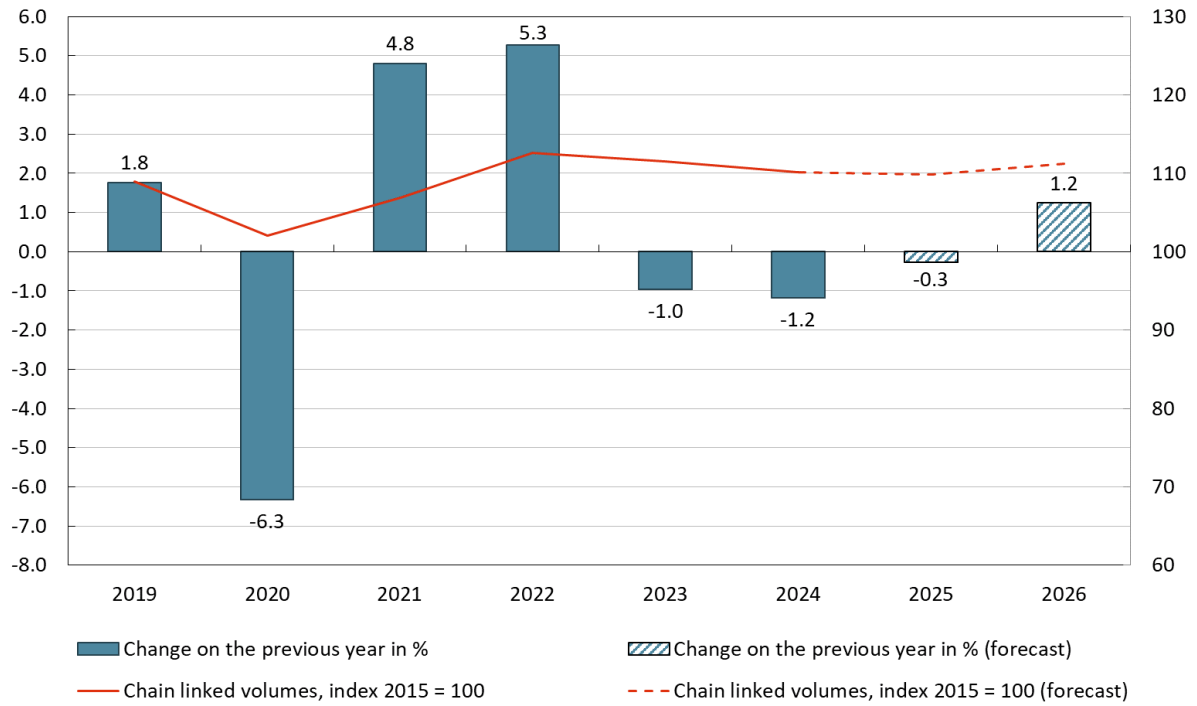
In its forecast, on which the Austrian Draft Budgetary Plan is based, WIFO expects an improvement in the EU economic environment and thus also in export demand from the middle of the current year. The domestic economy should benefit from this, meaning that the recession will likely be overcome by the middle of this year. The economy is expected to grow slightly as of the second quarter of this year. However, this will not be sufficient to achieve a positive annual growth rate. For 2025, real GDP is thus forecast to decline by 0.3 %. Economic growth is forecast to accelerate to 1.2 % next year.

Figure 1: International economic environment



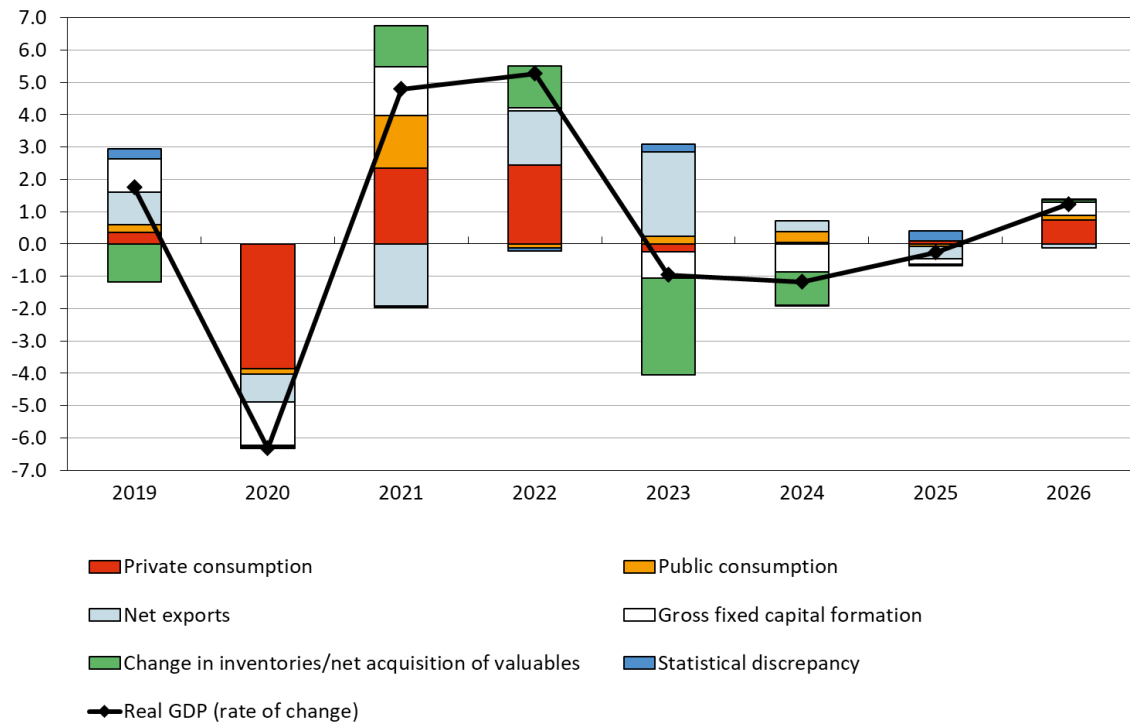
Left axis: Change of real GDP on the previous year in %
 CEEC 5: Central and Eastern European countries (Poland, Slovakia, Slovenia, Czech Republic, and Hungary)
 Source: WIFO

Figure 2: Austrian real GDP



Left axis: Change on the previous year in %
 Right axis: Chain linked volumes, index 2015 = 100
 Sources: STAT, WIFO

Figure 3: Contribution to real GDP growth



Left axis: Contribution to real GDP growth in percentage points
 Sources: BMF, STAT, WIFO

Despite the expected improvement in the external environment, total exports are forecast to decline again this year. A further 1.5 % decline in exports of goods contrasts with an increase in travel exports. Next year, exports of goods and services are expected to increase by 1.7 %. Investment activity is expected to remain weak this year. WIFO expects gross fixed capital formation to decline by 0.7 %. However, an increase of 1.8 % is projected for the following year. Household consumption expenditure is expected to increase only marginally this year (+0.2 %). It is not until 2026 that private consumption will see somewhat stronger growth again (+1.4 %).

For the production side of GDP, the WIFO forecast shows the following: With a projected contraction of 3.0 % this year, value added in the manufacturing sector is likely to decline for the third consecutive year. However, a recovery of +2.3 % is expected for the upcoming year. By contrast, the recession in the construction sector is already coming to an end this year (+0.5 %) and an even stronger increase of 1.6 % is forecast for 2026. Trade is expected to stagnate this year and to grow by 1.4 % in 2026.

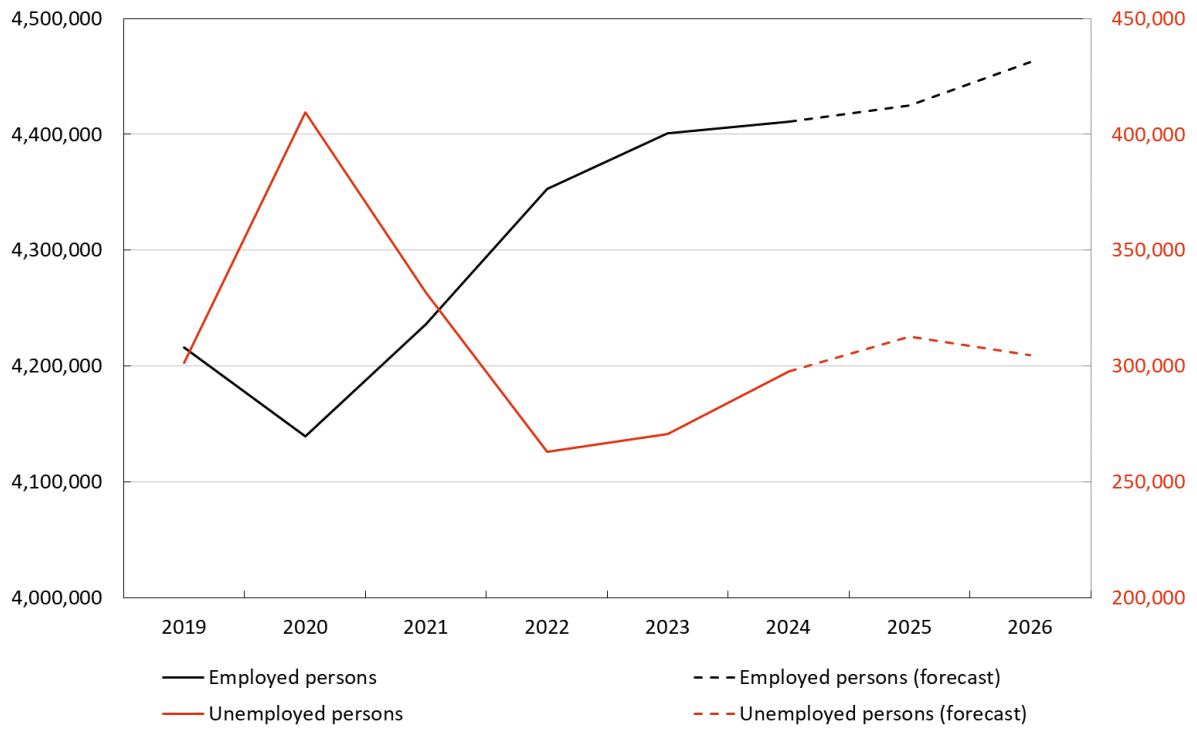
The labour market of Austria has proven robust despite several years of weak economic activity. In the past year, employment grew by 0.2 %, and a slight increase of 0.3 % is expected for this year. As economic conditions are expected to improve, employment is forecast to expand by 0.8 % in 2026. Unemployment rose only slightly in 2023, but the increase accelerated in 2024, with the number of registered unemployed increasing by around 27,000 people to a level like that in 2019. The unemployment rate (national definition) increased by 0.6 pp to 7.0 % in 2024 and is expected to rise further to 7.3 % this year. The unemployment rate should then decline to 7.1 % in the following year, and from 5.3 % to 5.2 % as defined by Eurostat.

Consumer price inflation (HICP) fell sharply to 2.9 % in 2024, down from 7.7 % the year before. There has been an increase in inflation at the beginning of the current year, and according to WIFO, inflation is expected to decline only slowly over the course of the year. For 2025, an inflation rate of 2.8 % is forecast. A significant decline to 2.1 % is expected to take place in 2026.

Uncertainty about future economic developments is currently quite high, and there are both upside and downside risks, particularly in light of ongoing geopolitical and trade policy developments.

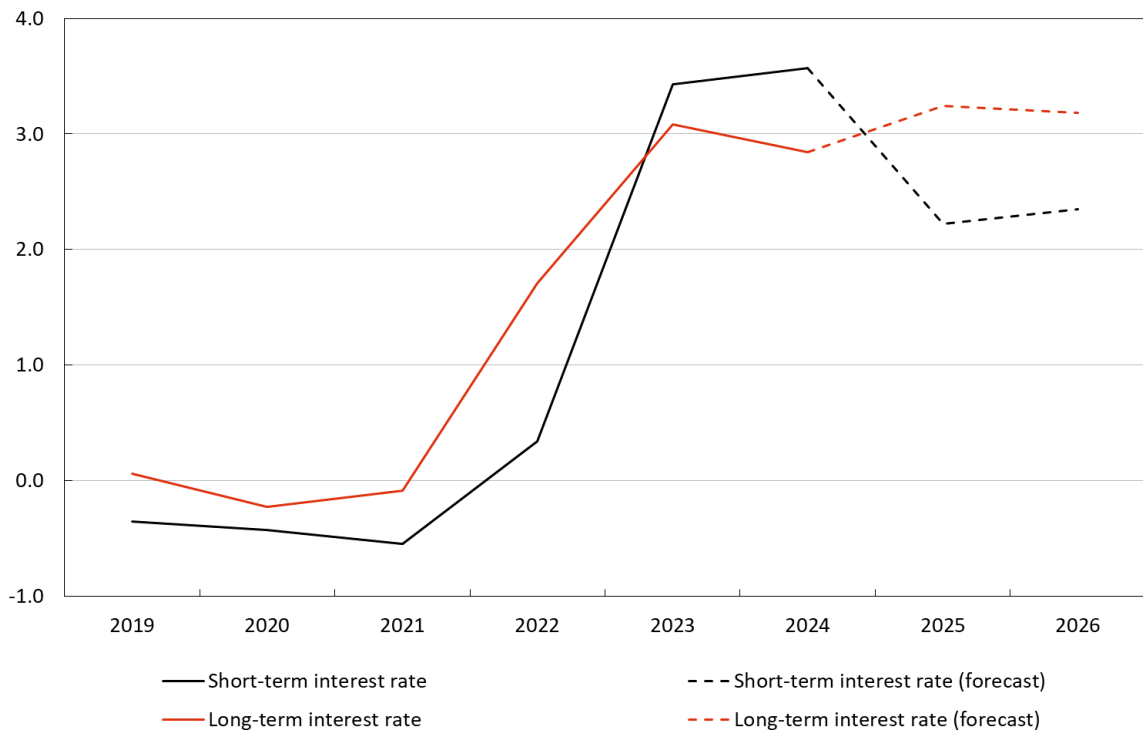
A comparison of macroeconomic and budgetary forecasts can be found in Table 18.

Figure 4: Employed and unemployed persons



Left axis: Employed persons
 Right axis: Registered unemployed persons
 Source: WIFO

Figure 5: Development of short- and long-term interest rates



Left axis: Annual average (in %)
 Source: WIFO

2.2 Qualitative description of economic policy measures and their effects

The new Federal Government is committed to a comprehensive fiscal consolidation and a sustainable budget policy. In order to achieve the **consolidation volume**, measures that can be implemented quickly will be taken in 2025 and 2026. Structural reforms will then take effect in the medium term. The discretionary measures can be divided into the following areas:

- **Tax measures** with a view to a balanced and fair distribution of the consolidation contribution will generate additional revenue of 1.0 bn euro in 2025 and 2.2 bn euro in 2026. These include consolidation contributions from the energy industry and banks, the inclusion of e-cars in the motor-related insurance tax, an increase in the betting fee, adjustments to the tobacco tax, the suspension of the last third of the income tax-bracket inflation adjustment from 2026 to 2029, the closing of the gap in the real estate transfer tax liability for property transactions (“share deals”), the post-indexation of federal fees, a package of measures to combat tax fraud and fight tax avoidance as well as a modernisation of the gambling monopoly.
- **Savings by the ministries** will result in a consolidation volume of 1.1 bn euro in 2025 and 1.3 bn euro in 2026. For example, in the ministries printing costs will be cut, cleaning costs will be reduced and business trips will be minimised. In some ministries, staff recruitment will be postponed or projects implemented at a reduced level. In some ministries, in addition to the subsidies described below, subsidies that are the responsibility of the ministries will be reduced or cancelled.
- The **abolition of the climate bonus** will save almost 2.0 bn euro per year.
- **Cuts in subsidies**, which rose sharply in the last legislative period, will result in savings of 1.3 bn euro in both 2025 and 2026. Examples include redimensioning environmental subsidies, adjustments to the climate ticket and savings in the area of mobility subsidies and transport service contracts. In 2026, efficiency increases in subsidies that are to be worked out by a subsidy task force are taken into account accordingly.
- **Structural reforms on the labour market and in the pension area as well as measures to increase the employment of older employees** will have a consolidation effect of 0.2 bn euro in 2025 and 1.4 bn euro in 2026. The effect of these reforms will increase continuously and lead to fiscal improvements totalling 2.7 bn euro in 2029, of which 1.9 bn euro will be attributable to the pension area. This includes the abolition of educational leave, the restriction of unemployment benefits for people in marginal

employment and an employment package for older people. In the pension area, for example, partial retirement will be made more effective, a partial pension will be introduced, the requirements for the corridor pension will be adjusted and the first-time pension adjustment (pension aliquotation) will be revised. In addition, a statutory sustainability mechanism will be introduced, which stipulates that mandatory measures must be taken if the planned budget path for pension expenditure and the planned cost reductions are not met in total in 2030.

- **State-affiliated companies** will also contribute 0.6 bn euro to the general government consolidation in 2025 and 0.7 bn euro in 2026. On the one hand, these measures relate to consolidations at state-affiliated companies that are categorised as part of the government sector from a statistical perspective in accordance with ESA 2010, e.g. ÖBB-Infrastruktur AG. On the other hand, this involves an increase in dividend payments from state-affiliated companies which, as so-called market producers, are not part of the government sector (ÖBB-Personenverkehr AG is an exception in this case).
- Various **other measures** will result in savings of 0.1 bn euro in 2025 and 0.3 bn euro in 2026. Examples of this include the suspension of the indexation of non-income-related social and family benefits (part of these savings are included in the sum of ministry savings) or the increase in toll tariffs (external costs: air, noise, CO₂ emissions).
- **Savings in the state, municipal and social security sectors** will amount to 0.7 bn euro in 2025 and 1.1 bn euro in 2026. This includes independent consolidation efforts as well as positive effects of the Federal Government's measures on the other sectors.

The unavoidable consolidation of public finances must take place in an economically subdued and geopolitically uncertain environment. There are also challenges in the areas of healthcare, education and integration, which the Federal Government is addressing immediately. For this reason, it is also setting targeted priorities in terms of business location policy, implementing support measures for the labour market, strengthening healthcare and investing in the education of young people. A total of **0.6 bn euro in 2025** and **1.6 bn euro in 2026** will be made available for proactive policy measures in the areas of economy & labour, health & social affairs and education & integration. All proactive policy measures are counter-financed.

In the area of **economy & labour**, this includes, for example, measures in the area of active labour market policy (funding budget of the Public Employment Service, further training period as a successor model to educational leave, Action55 Plus, fund for tourism

employees), the introduction of an attractive “working in old age” model for people in a real old-age pension, the increase in the basic flat rate including flat-rate input tax, the increase in the commuter euro (partial compensation for the abolished climate bonus), tax concessions for light commercial vehicles or the “Clean Austria” initiative to shift freight transport to the railways.

In the area of **health & social affairs**, the funds inter alia will go towards an innovation fund to strengthen outpatient care, an alimony guarantee fund to prevent poverty among women and children, the expansion of therapy services to strengthen psychosocial care, particularly for young people, the VAT exemption for feminine hygiene products and contraceptives, the freezing of prescription charges and the introduction of an upper limit for medicines to effectively cushion high medication costs for low-income patients. In addition, a “healthcare reform fund” will be set up, which will be endowed with the funds that arise from the increase in health insurance contributions for pensioners via the add-on rates. These are to be transferred to the fund annually from 2026 by the pension insurance providers and are to be used in particular to improve care, reduce waiting times, digitalise the healthcare system and increase efficiency, which will help to meet the cost containment path.

In the area of **education & integration**, the Federal Government is investing in the expansion of German language support as part of a German language initiative, protection against violence in schools and a socially indexed opportunity bonus for schools with major social challenges, a quality offensive in elementary education, the training of teachers and digital teaching materials. From 2026, the Federal Government plans to work with the states to introduce a compulsory second year of kindergarten, implements the “healthy free snack”-project in kindergartens and offers young people free access to independent journalism with the “My newspaper subscription”.

3 Economic and budgetary challenges, goals and strategy

The last few years have been characterised by a succession of global crises. The COVID-19 pandemic, the Russian war of aggression against Ukraine in breach of international law and the associated energy and inflation crisis have not spared Austria.

The negative economic development, comprehensive crisis aid and permanent relief measures put a massive strain on the budget. The Maastricht deficit amounted to 4.7 % of GDP in 2024 and the debt ratio rose to 81.8 % of GDP. Hence, the Maastricht targets were clearly missed.

The new Federal Government is therefore committed to a comprehensive fiscal consolidation and a sustainable budget policy. With the 2025/2026 budgets and the general government planning based on the federal financial framework until 2029, the Federal Government is initiating the improvement of public finances and achieving a budgetary turnaround in a difficult environment.

At the general government level, **6.4 bn euro will be consolidated in 2025 and 8.7 bn euro in 2026**. This will reduce the **Maastricht deficit** to **4.5 % of GDP in 2025** and **4.2 % in 2026**. Without fiscal adjustment, the deficit would have risen to 5.8 % of GDP in 2025 and 5.9 % of GDP in 2026.

The increase in the **debt ratio** can be stabilised through budgetary recovery. A debt ratio of **84.7 % of GDP** is forecast for **2025** and **86.2 % in 2026**.

The recovery of public finances is a joint effort to which everyone contributes their fair share. When consolidating public finances, the Federal Government is focussing above all on measures that are growth- and employment-preserving, socially acceptable and balanced. With this in mind, a mix of savings, tax measures, long-term reforms and efficiency improvements will be implemented.

The presentation of the 2025 and 2026 budgets provides clarity on the design of the budgetary recovery. With the budgetary recovery, Austria regains budgetary room for

manoeuvre for future investments in education, business location, climate action, research and social security, which is increasingly restricted by interest expenditure. In this way, the Federal Government secures the sustainability of public finances and Austria's reputation on the capital markets.

The return to fiscal stability is being carried out carefully and with constant consideration of economic developments and the situation on the labour market. The purchasing power of private households, the social situation and the competitiveness of companies were taken into account when designing the fiscal consolidation package. This will restore confidence in a volatile and uncertain economic and geopolitical environment.

The **net consolidation** amounts to 6.4 bn euro in 2025 and 8.7 bn euro in 2026. As the proactive policy measures negotiated as part of the government programme and planned as part of the 2025/2026 budget are counter-financed, the **total consolidation volume** amounts to 7.0 bn euro in 2025 and 10.3 bn euro in 2026.

The **revenue-side measures** as the sum of tax measures, contributions from state-affiliated companies and additional social security contributions amount to 2.0 bn euro in 2025 and 3.6 bn euro in 2026, thus providing a consolidation contribution of just under 30 % in 2025 and 35 % in 2026.

The **expenditure-side measures** as the sum of administrative savings, targeted savings on subsidies and structural reforms amount to 5.0 bn euro in 2025 and 6.7 bn euro in 2026, thus making a consolidation contribution of around 70 % in 2025 and 65 % in 2026.

The **Federal Government is investing 0.6 bn euro in 2025** and **1.6 bn euro in 2026** to strengthen the economy and business location as well as to consistently address the acute challenges in the areas of economy & labour, health & social affairs, sustainable livelihoods, education as well as integration.

3.1 Budget execution 2024

The preliminary general government results were published by Statistik Austria at the end of March 2025. According to these preliminary statistics, the Maastricht general government balance in 2024 was -22.5 bn euro or -4.7 % of GDP. The result was thus EUR 8.8 bn, or 1.9 pp of GDP, worse than projected in October 2023. In absolute terms, this is

the third highest deficit since 1995 after 2020 and 2021, and the sixth highest in relation to GDP.

The high deficit was mainly driven by different developments in government expenditure and revenue. While government revenue increased by 4.9 % in 2024, government expenditure increased significantly more, by 8.8 %.

The sharp increase in government expenditure is related to lagged effects of inflation adjustments in compensation of employees, pensions and indexed social benefits. This can also be seen in the developments of the transaction classes. Expenditure on compensation of employees grew by 10 % and increased from 10.7 % of GDP to 11.5 % of GDP, while expenditure on monetary social benefits (pensions, social transfers) grew by 10.9 % and increased from 18.5 % to 20.2 % of GDP.

Expenditure on social benefits in kind also rose sharply by 9.4 %, increasing from 4.4 % of GDP to 4.7 % of GDP. This category mainly includes benefits in kind from the areas of health and care, in particular social insurance expenditure on doctors in private practice, medication, rehabilitation and expenditure on long term care by the federal states and municipalities. Here, too, the delayed inflation adjustments were reflected in the salaries of private doctors.

As in 2023, interest expenditure also rose significantly in 2024. It increased from 1.2 % of GDP to 1.5 % of GDP.

Expenditure on subsidies, on the other hand, fell by -11.3 % from 2.3 % of GDP in 2023 to 2.0 % of GDP in 2024 due to the expiry of COVID aid subsidies.

The government revenue-to-GDP ratio was 51.6 %, the tax-to-GDP ratio (indicator 2) was 44.5 %, and the government expenditure-to-GDP ratio was 56.3 %.

In terms of sectors, the federal sector accounts for 17.1 bn euro of the general government deficit of 22.5 bn euro. The federal sector's Maastricht balance was thus 1.7 bn euro worse than projected in October 2023. Only in the COVID-19 crisis years 2020-2022 did the federal sector record a higher deficit. Almost half of this deviation is due to back payments related to the amendment to the Public Service Act in 2023, which is fully attributed (including future payments) to Q4 2024.

The state sector recorded a deficit of -2.0 bn euro (-0.4 % of GDP) in 2024, of which 1.4 bn euro is attributable to the fourth quarter of 2024 alone. This is 2.9 bn euro worse than assumed in October 2023 and represents a deterioration of 1.4 bn euro compared to 2023. Since 1995, the country sector has had comparably high deficits only in the crisis years of 2009, 2010, 2020 and 2021.

At -2.6 bn euro (-0.5 % of GDP), the outcome of the municipal sector was also 2.9 bn euro worse than assumed in October 2023. This is a further deterioration of 0.4 bn euro compared to the 2023 result and represents the highest deficit since 1995.

The social security sector also recorded the highest deficit since 1995, with a Maastricht balance of -0.8 bn euro and a further deterioration of 0.1 bn euro compared to 2023. The result for the social security sector was therefore 1.3 bn euro worse than forecast in October 2023.

The debt-to-GDP ratio increased from 78.5 % of GDP in 2023 to 81.8 % of GDP due to the very high deficit.

3.2 Budget 2025 and 2026

The fiscal balance improves continuously from 4.7 % of GDP in 2024, initially to 4.5 % of GDP in 2025 and to 4.2 % of GDP in 2026.

The debt ratio rises to 84.7 % of GDP in 2025 due to the high deficit and the economic situation with low nominal GDP growth. The increase continues at a slower pace to 86.2 % of GDP by 2026.

In 2025, revenue will grow by 3.4 %, which is significantly higher than nominal GDP growth of 2.2 %, which is why the revenue ratio will rise from 51.6 % in 2024 to 52.2 % of GDP. At 3.6 %, revenue will also grow slightly faster than nominal GDP growth (3.3 %) in 2026, causing the revenue ratio to rise again slightly to 52.4 % of GDP.

Overall, there is a solid development in government revenues, which is due to a stable labor market with a rising employment rate despite a weak cyclical position and stable private consumption.

Market output of companies belonging to the government sector, such as ÖBB-Personenverkehr and ÖBB-Infrastruktur, as well as other companies, for example in the cultural sector, show a solid development overall.

Revenues from production and import taxes show a very high increase in 2025. This is due to additional revenue from the end of the suspension of the renewable energy subsidy lump sum and the renewable energy subsidy contribution (1 bn euro in total), the expiry of the reduction in the energy tax (just under 1 bn euro), the introduction of the location contribution levies from banks and the energy sector (350 and 200 mn euro respectively), as well as the early abolition of the VAT exemption for photovoltaic systems.

Some of the measures taken will not take full effect until 2026, which is why an increase in taxes on production and imports is also projected for that year. These include the increase and expansion of the tobacco tax, the closing of the gap in share deals, which is reflected in the real estate transfer tax, the expansion of the motor-related insurance tax for e-vehicles, the expansion of betting fees and the retroactive valorization of federal fees.

Social contribution revenues are developing in line with the stable labor market and will also increase in 2025 and 2026 due to the increase in health insurance contributions for pensioners.

In the case of income and wealth taxes, there will be a cyclical decline in corporation tax and income tax of around 0.1 pp of GDP each in 2025; the proactive measure of tax-free bonuses for employees will also have a revenue-reducing effect. From 2026, the suspension of the last third of the inflation adjustment of income tax-brackets will strengthen the development of revenue from income and wealth taxes.

Capital taxes (D.91, part of capital transfer revenue D.9) make a comparatively small contribution to government revenue, but these will experience a considerable increase in 2026, doubling from 30 mn euro to more than 60 mn euro in 2026 due to the increased taxation of foundations.

The tax ratio, which includes tax revenue as well as social security contributions, shows a similar trend to the revenue ratio. It initially rises from 44.5 % of GDP in 2024 to 45.3 % of GDP in 2025 and then increases slightly to 45.5 % of GDP in 2026.

The development of general government expenditure shows an increase from 56.3 % of GDP in 2024 to 56.8 % of GDP in 2025. From 2026, the expenditure ratio begins to fall steadily due to the consolidation measures.

This significant increase in the expenditure ratio in 2025 is mainly due to the effects of delayed indexation along past inflation trends for pensions and social benefits in the ESA category of monetary social benefits. The adjustment factor for pensions is 4.6 % in 2025, which is significantly higher than the nominal growth of 2.2 % in 2025.

From 2026 onwards, monetary social benefits as a percentage of GDP will fall steadily, consolidation measures in the realm of the labour market and pensions and the dampening of the valorization of social benefits taking effect from this point onwards. From 2026, additional measures in the area of asylum and a reform of social assistance will also have a reducing effect on this expenditure category.

Over the entire period up to 2026, persistently rising interest expenditure, from 1.5 % of GDP in 2024 to 1.9 % of GDP in 2026, will result in increasing cost pressure.

Expenditure for compensation of employees and intermediate consumption (expenditure for materials, etc.) will increase slightly in 2025. As with monetary social benefits, the 3.5 % salary increase in the public sector will have an impact here, which, like pension adjustments, is higher than the growth in nominal GDP.

Due to the comprehensive budget consolidation measures in the area of administration and investments and the anti-inflationary measures, employee compensation and intermediate consumption will increasingly fall in relation to GDP from 2026.

The federal government's strong focus on savings and measures to increase the efficiency of subsidies will lead to falling expenditure on subsidies from 2025, from 2.0 % of GDP in 2024 to 1.8 % of GDP in 2026.

Other current transfer expenditure will already fall substantially in 2025 by 0.4 pp from 3.6 % to 3.2 % of GDP due to the abolition of the climate bonus and educational leave, the latter of which will not take full effect until 2026. In addition, parts of larger savings measures in administration will have an impact.

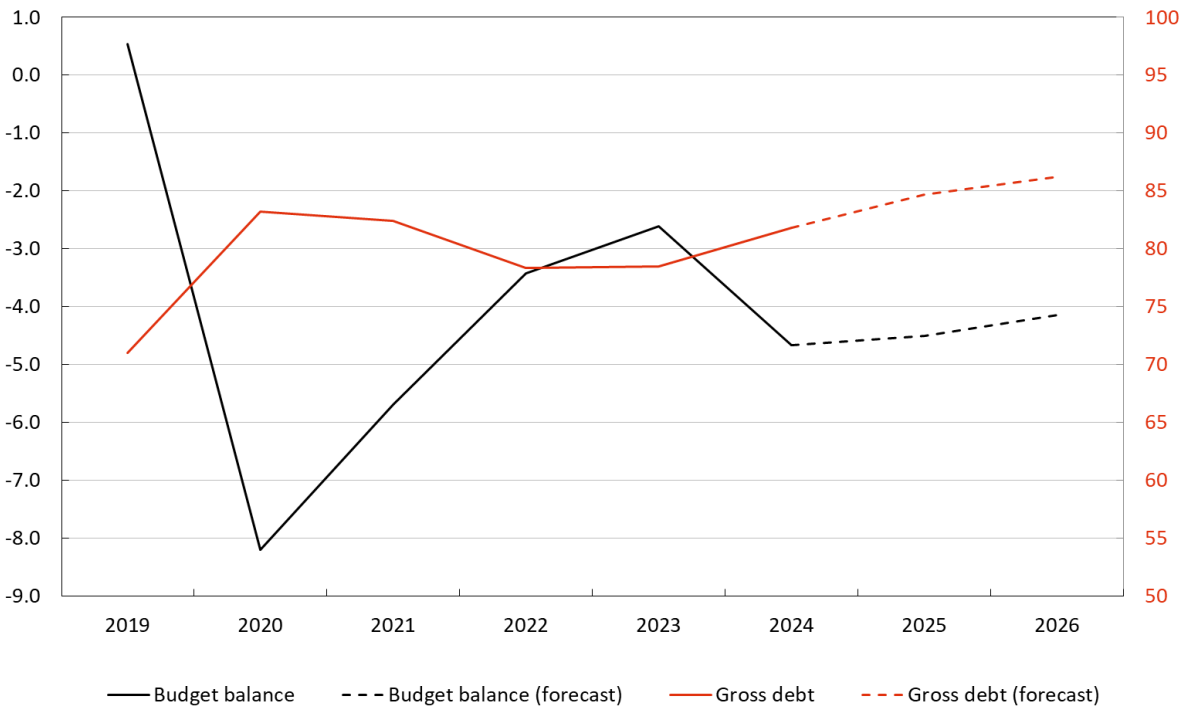
There are also parts of larger savings measures in the administration, in the area of asylum as well as in the federal states and municipalities.

Expenditure on capital transfers will fall from 2025, including budget cuts for broadband, the investment premium and subsidies with a capital transfer character in the areas of climate protection and the environment.

Gross fixed capital formation will remain at a high level in 2025 and increase to 4.2 % of GDP in 2026, partly due to the continuation of the expansion of rail infrastructure in the ÖBB framework plan and investments in the area of national defense.

Expenditure on social benefits in kind will increase slightly in 2025 and 2026. This mainly includes benefits in kind from the areas of health and long-term care, in particular expenditure on doctors in private practice, medication, rehabilitation by the social security funds and expenditure on long term care by the federal states and municipalities.

Figure 6: General government net lending/borrowing and gross debt



Left axis: General government net lending / net borrowing in % of GDP
 Right axis: Gross debt in % of GDP
 Sources: BMF, STAT, WIFO

3.3 Implementation of the net expenditure path

The new EU fiscal rules, in particular Regulation (EU) 2024/1263, provide a maximum net expenditure growth path as the only operational fiscal indicator to assess the fiscal sustainability of EU Member States. The calculation of this net expenditure path is based on a debt sustainability analysis (DSA) following a commonly agreed EU methodology. The net expenditure growth requirements result from the necessary budgetary adjustment, which puts the government debt ratio on a downward trend in the medium term.

As a rule, the resulting budget adjustment requirement must be met over a four-year adjustment period. Austria commits to a comprehensive reform and investment package that meets certain criteria (including growth effectiveness and improvement of debt sustainability) and can thus extend the adjustment period from four to seven years.

The permitted net expenditure growth according to the Austrian Fiscal Structure Plan 2025 to 2029 stands at 2.6 % for 2025 and at 2.2 % for 2026. The present budget forecast expects a net expenditure growth of 1.6 % for 2025 and a net expenditure growth of 2.1 % for 2026, which meets the permitted target.

To derive this aggregate, the following items are deducted from total government expenditure: (i) interest expenditure, (ii) discretionary revenue measures (DRM), (iii) expenditure on EU programmes fully offset by revenue from EU funds, (iv) national expenditure to co-finance EU-funded programmes, (v) cyclical components of unemployment benefit expenditure and (vi) one-off and other temporary measures. These correction components for deriving the net expenditure indicator ensure that the automatic stabilizers can work unhindered; that fluctuations in expenditure that are beyond the direct control of the state do not result in a breach of the rules; that higher expenditure is nevertheless permitted if it is counter-financed; that budget measures are taken into account that do not create a permanent and therefore sustainable budget trend; and that public investment to achieve common EU priorities is protected.

Net expenditure growth is calculated annually and compared with the permitted net expenditure path to which Austria has committed itself in the Fiscal Structural Plan. Both positive and negative deviations are posted to a control account. Positive deviations, such as those resulting from the current budget forecast, create leeway in future years. However, negative deviations may not exceed 0.3 pp of GDP per year. The maximum permitted cumulative deviation is 0.6 pp of GDP.

3.4 Macroeconomic and budgetary forecasts in accordance with EU requirements

Article 4 (1) of Council Directive 2011/85/EU as amended by 2024/1265 on requirements for budgetary frameworks of the Member States stipulates that macroeconomic forecasts and budgetary projections must be compared with the most recent forecasts of the Commission and, where appropriate, with the forecasts of other independent bodies. Table 18 in the Annex presents this comparison. In addition, Article 4 (6) requires macroeconomic and budgetary forecasts for annual and multiannual financial planning to be subject to regular, objective and comprehensive ex-post evaluations by an independent body.

Such an evaluation was last carried out in November 2024 by the Office of the Fiscal Advisory Council on behalf of the Fiscal Advisory Council for the period 2005 to 2023. This study was published on the Fiscal Council's website¹. The next evaluation is scheduled for fall 2027.

¹ <https://fiskalrat.at/publikationen/berichte/studien-im-auftrag-des-fiskalrates-uebersicht.html>

Annex

Table 1: External assumptions

		2024	2025	2026
Short-term interest rate	<i>in %, annual average</i>	3.6	2.2	2.4
Long-term interest rate	<i>in %, annual average</i>	2.8	3.2	3.2
USD/EUR exchange rate	<i>annual average</i>	1.1	1.0	1.0
Nominal effective exchange rate	<i>rate of change in %</i>	1.0	-0.2	0.1
World real GDP (excl. EU)	<i>rate of change in %</i>	3.1	2.7	2.7
EU real GDP	<i>rate of change in %</i>	1.1	1.3	1.5
Growth of relevant Austrian foreign markets	<i>rate of change in %</i>	0.4	2.0	1.8
World import volumes, excluding EU	<i>rate of change in %</i>			
Oil price	<i>Brent, USD/Barrel</i>	79.8	72.0	68.5

Source: WIFO

Table 2: Macroeconomic prospects

	ESA Code	2024 in bn €	2024 rate of change in %	2025	2026
Real GDP	B.1*g	376.9	-1.2	-0.3	1.2
Nominal GDP	B.1*g	481.9	1.8	2.2	3.3
Potential GDP		382.0	0.4	0.3	0.5
Contribution to potential growth (in percentage points)					
Labour			0.0	0.0	0.1
Capital			0.3	0.3	0.3
Total factor productivity			0.1	0.0	0.1
Components of real GDP					
Private consumption expenditure ¹⁾	P.3	190.3	0.1	0.2	1.4
Government consumption expenditure	P.3	78.4	1.6	-0.3	0.6
Gross fixed capital formation	P.51g	87.4	-3.4	-0.7	1.8
Changes in inventories and net acquisition of valuables (in % of GDP)	P.52 + P.53	-	-0.4	-0.5	-0.4
Exports of goods and services	P.6	221.8	-4.3	-0.9	1.7
Imports of goods and services	P.7	200.0	-5.0	-0.2	2.1
Contribution to real GDP growth (in percentage points)					
Final domestic demand			-0.5	-0.1	1.3
Changes in inventories and net acquisition of valuables ²⁾	P.52 + P.53		-1.0	0.3	0.1
External balance of goods and services	B.11		0.4	-0.4	-0.1

1) incl. NPISH; 2) incl. statistical discrepancy

Rounding differences may occur. Reference year 2015 for real values.

Sources: BMF, STAT, WIFO

Table 3: Price developments

	2024	2025	2026
	rate of change in %		
GDP deflator	3.1	2.4	2.0
Private consumption deflator	3.2	2.8	2.0
HICP	2.9	2.8	2.1
Government consumption deflator	6.2	3.2	2.7
Investment deflator	3.1	1.2	2.0
Export price deflator (goods and services)	1.8	1.2	1.4
Import price deflator (goods and services)	0.3	1.3	1.6

Rounding differences may occur.

Sources: STAT, WIFO

Table 4: Labour market developments

	ESA Code	2024 level	2024	2025	2026
			rate of change in %		
Domestic employment (1000 persons)		4,725	0.0	0.2	0.6
Employment, hours worked (in m)		7,195	-1.0	-0.1	0.9
Unemployment rate (Eurostat, in %)		-	5.2	5.3	5.2
Real GDP per person employed (in €)		79,768	-1.2	-0.5	0.7
Real GDP per hour worked (in €)		52.4	-0.2	-0.2	0.3
Compensation of employees (in bn €)	D.1	254.8	8.5	3.6	3.3
Compensation per employee (in €)		53,923	8.5	3.4	2.7

Rounding differences may occur.

Sources: STAT, WIFO, BMF

Table 5: Sectoral balances

	ESA Code	2024	2025	2026
		in % of GDP		
Net lending/borrowing vis-à-vis the rest of the world	B.9	2.2	1.9	1.4
Net lending/borrowing of the private sector	B.9	6.9	6.4	5.5
Net lending/borrowing of the general government	B.9	-4.7	-4.5	-4.2
Statistical discrepancy		0.0	0.0	0.0

Rounding differences may occur.

Sources: STAT, WIFO, BMF

Table 6: Budgetary targets

Net lending/borrowing by sub-sector	ESA Code	2024	2025	2026
		in % of GDP		
General government	S.13	-4.7	-4.5	-4.2
Central government	S.1311	-3.5	-3.5	-3.5
State governments (excl. Vienna)	S.1312	-0.4	-0.4	-0.3
Local governments (incl. Vienna)	S.1313	-0.5	-0.6	-0.4
Social security funds	S.1314	-0.2	0.0	0.0
Interest expenditure	D.41	1.5	1.7	1.9
Primary balance		-3.2	-2.8	-2.3
One-off and other temporary measures		0.0	0.0	0.0
Real GDP growth		-1.2	-0.3	1.2
Potential GDP growth		0.4	0.3	0.5
Output gap		-1.3	-1.9	-1.1
Cyclical budgetary component		-0.8	-1.1	-0.6
Cyclically-adjusted balance		-3.9	-3.4	-3.5
Cyclically-adjusted primary balance		-2.4	-1.7	-1.6
Structural balance		-3.9	-3.4	-3.5

Rounding differences may occur.

Sources: BMF, STAT, WIFO

Table 7: General government debt developments

	ESA Code	2024	2025	2026
		in % of GDP		
Gross debt (general government)		81.8	84.7	86.2
Change in gross debt (in pp)		3.3	2.9	1.5
Contributions to changes in gross debt				
Primary balance		3.2	2.8	2.3
Snowball effect		0.1	0.0	-0.8
Interest expenditure	D.41	1.5	1.7	1.9
Growth		0.9	0.2	-1.0
Inflation		-2.4	-1.9	-1.6
Stock-flow adjustment		0.1	0.1	0.0
p.m. Implicit interest rate on debt (in %)		2.0	2.2	2.3

Rounding differences may occur.

Source: BMF

Table 8: Contingent liabilities

in % of GDP	2023	2024	2025	2026
Public guarantees	14.2	13.8	13.0	12.9
of which: central government ¹⁾	10.9	10.6	10.0	9.9
of which: linked to the financial sector ²⁾	0.2	0.2	0.2	0.2
of which: state and local governments	3.3	3.2	3.1	2.9
of which: linked to the financial sector ²⁾	0.8	0.7	0.7	0.6

1) Guarantees for exports without double count of funding guarantees.

Without liabilities for EFSF as well as without liabilities for euro coins towards Austrian Mint. SURE and EGF included from 2020. According to ESA 2010, liabilities for SchiG, ÖBB according to BFG as well as those of ÖBB Infrastruktur AG and ÖBB Personenverkehr AG according to EurofimaG are included in the public sector and will here not be included in order to avoid double count. Forecasts are based mainly on statistical values resulting from percentage change in history and are not based on political decisions.

2) Without double count of liabilities for KA Finanz AG, HETA, immigion and Kärntner Ausgleichszahlungsfonds or bank deposit insurance.

Rounding differences may occur.

Sources: BMF, State governments, STAT, WIFO

Table 9: Budgetary prospects

General government	ESA Code	2024	2025	2026
		in % of GDP		
Total revenue	TR	51.6	52.2	52.4
Taxes on production and imports	D.2	14.0	14.7	14.8
Current taxes on income, wealth, etc.	D.5	14.4	14.1	14.2
Capital taxes	D.91	0.01	0.01	0.01
Social contributions	D.61	16.4	16.7	16.8
Property income	D.4	1.1	0.9	0.9
Other		5.7	5.8	5.8
p.m.: Tax burden		44.9	45.7	45.9
Total expenditure	TE	56.3	56.8	56.6
Compensation of employees	D.1	11.5	11.6	11.6
Intermediate consumption	P.2	7.1	7.2	7.1
Social payments	D.62, D.632	24.9	25.6	25.5
of which: Unemployment benefits		5.2	5.6	5.6
Interest expenditure	D.41	1.5	1.7	1.9
Subsidies	D.3	2.0	1.9	1.8
Gross fixed capital formation	P.51g	3.9	3.9	4.2
Capital transfers	D.9	1.3	1.1	0.8
Other		4.1	3.6	3.6

Rounding differences may occur.

Source: BMF

Table 10: Budgetary prospects ("no-policy change"-assumption)

General government	ESA Code	2024	2025	2026
		in % of GDP		
Total revenue	TR	51.6	51.9	51.8
Taxes on production and imports	D.2	14.0	14.5	14.5
Current taxes on income, wealth, etc.	D.5	14.4	14.2	14.1
Capital taxes	D.91	0.00	0.00	0.00
Social contributions	D.61	16.4	16.6	16.7
Property income	D.4	1.1	0.8	0.8
Other		5.7	5.8	5.8
p.m.: Tax burden		44.9	45.4	45.4
Total expenditure	TE	56.3	57.7	57.7
Compensation of employees	D.1	11.5	11.7	11.7
Intermediate consumption	P.2	7.1	7.2	7.2
Social payments	D.62, D.632	24.9	25.7	25.7
of which: Unemployment benefits		-	-	-
Interest expenditure	D.41	1.5	1.7	1.9
Subsidies	D.3	2.0	2.0	2.0
Gross fixed capital formation	P.51g	3.9	4.0	4.3
Capital transfers	D.9	1.3	1.2	0.9
Other		4.1	4.1	4.2

Rounding differences may occur.

Source: BMF

Table 11: Net expenditure growth

	ESA Code	2024 in bn €	2024	2025	2026
			in % of GDP		
1. Total expenditure	TE	271.3	56.3	56.8	56.6
2. Interest expenditure	D.41p	7.3	1.5	1.7	1.9
3. Cyclical unemployment expenditure		0.3	0.1	0.1	0.1
4. Expenditure funded by transfers from the EU <i>of which: Investments (GFCF)</i>		0.9 0.3	0.2 0.1	0.2 0.1	0.1 0.0
5. National co-financing of EU programmes		0.9	0.2	0.2	0.2
6. One-off expenditure (levels, excl. EU funded)		0.0	0.0	0.0	0.0
7. Net nationally financed primary expenditure (before DRM)		261.9	54.3	54.6	54.3
8. DRM (excl. one-off revenue, incremental impact)				0.5	0.3
9. Net nationally financed primary expenditure (after DRM)				54.0	54.0
			rate of change in %		
10. Nominal GDP growth				2.2	3.3
11. Net expenditure growth				1.6	2.1

Cyclical unemployment expenditure defined as actual expenditure (COFOG 10.5) minus expenditure for NAWRU-unemployed.

Source: BMF

Table 12: Discretionary revenue measures (in million euro)

Measures	ESA Code	2024	2025	2026
		in m €		
Bank consolidation contribution (stability levy)	D.2		350.0	350.0
Energy sector consolidation contribution	D.2		200.0	200.0
Abolition of VAT exemption for photovoltaik systems	D.2		175.0	70.0
Adjustment of federal fees for inflation	D.2		65.0	150.0
Tobacco tax – expansion, increase, etc.	D.2		50.0	185.0
Increase in gambling levies, betting fees, bonus drawings	D.2		91.0	191.0
Inclusion of e-cars in motor-related insurance tax	D.2		65.0	130.0
Closing loophole for “share deals” in real estate transfer tax	D.2		35.0	100.0
Tax relief for light commercial vehicles	D.2		-20.0	-50.0
VAT exemption for feminine hygiene products and contraceptives	D.2			-28.0
Anti-fraud package	D.2 (D.5)			270.0
Suspension of final third of inflation adjustment 2026–2029	D.5			440.0
Enabling of tax-free employee bonus	D.5		-165.0	-85.0
Increase in commuter euro (partial compensation for climate bonus)	D.5			-110.0
Suspension of indexation of child tax credit	D.5			45.0
Extension of top income tax rate	D.5			50.0
Increase in basic flat rate deduction incl. input tax flat rate	D.5 (D.2)		-5.0	-50.0
"Working in old age"	D.61 (D.5)			-300.0
Increase in health insurance contribution rate for pensioners	D.61		366.2	696.8
Increases in dividends (compared to no policy change)	D.4		447.0	461.0
Climate ticket price increase by 100 euro	P.11			30.0
Inflation adjustment of court and consular fees	D.7		30.5	41.8
Increase in foundation taxation	D.91			33.0
Other measures (mix of small measures)	div.		10.0	80.6
New discretionary revenue measures (DRM)			1694.7	2901.2
in % of GDP			0.3	0.5
Incremental effect of new DRM (excluding dividends)			1247.7	1192.5
Incremental effect of older DRM		-242.3	1363.8	470.0
Total incremental effect of (new + older) DRM		-242.3	2611.5	1662.5

Source: BMF

Table 13: Discretionary expenditure side measures (in million euro)

Measures	ESA Code	2024	2025	2026
		in m €		
Consolidation measures (selection)				
Abolition of the climate bonus	D.7		-1,964.5	-1,973.6
Savings in ministries (expenditure side)	P.2/D.1/D.5 (D.7,D.9)		-984.4	-1,093.3
Abolition of educational leave	D.7		-240.0	-650.0
Cancellation of the pilot project "administrators APS"	D.1		-53.0	-26.0
Subsidies reductions	D.3		-167.0	
Environmental subsidies (including e-mobility)	D.3 (D.9, D.7)		-557.0	-819.9
Subsidy task force	D.3			-150.0
Agriculture, forestry, and water management (including forest fund)	D.3		-120.0	-25.5
Mobility subsidies and transport service contracts	D.3/D.7			-93.3
Climate ticket	D.7		-120.0	-120.0
Development cooperation and foreign disaster relief fund	D.7		-10.0	-40.0
Imprisonment in the homeland	P.2			-10.0
Broadband subsidy	D.9		-150.0	
Investment premium	D.9		-130.0	
ÖBB Infrastruktur - additional adjustments to investment framework	P.5		-154.2	-415.3
Asylum reform	D.7/D.63			-50.0
Measures in the pension sector	D.62			-619.6
Restriction of unemployment benefits for marginally employed	D.62			-110.0
Contribution of the state and municipal levels	D.1/D.2/D.3/D.9 (D.7)		-100.0	-150.0
Social security funds consolidation measures/reforms	D.63		-190.0	-190.0
Increase in e-card fee	D.63 (neg. expenditure)		-37.0	-79.0
Proactive measures (selection)				
Improving German language skills & violence protection	D.1		55.0	90.0
Compusory second year of kindergarten	D.1 (D.7)			80.0
Quality initiative in elementary education	D.1		10.0	15.0
Training of teachers and educators	D.1		15.0	15.0
Further development of pedagogy	D.1		10.0	10.0
Project healthy free snacks in kindergarten	P.2			20.0
Digital teaching materials	P.2		10.0	25.0
Labour market funding budget (Public Employment Service, AMS)	D.1/P.2/D.7		230.0	100.0
Further training period (successor model for educational leave)	D.7			150.0
Initiative 55 Plus	D.7			50.0
"My newspaper subscription" for young people	D.7			30.0
Opportunity bonus and data-driven school development	D.7		20.0	65.0
Alimony fund guarantee for single mothers	D.63			35.0
Package of measures for prevention in women's health	D.63			10.0
Expansion of psychosocial therapy services	D.63		16.0	21.0
Prescription fee freeze 2026 & adaptation of prescription fee cap	D.63			86.4
Innovation fund to strengthen outpatient care	D.9			50.0
Other measures			-78.9	-71.4
Total expenditure-side measures			-4,690.0	-5,834.6
in % of GDP			-0.9	-1.0

Source: BMF

Table 14: Quarterly budgetary execution in 2024 in accordance with ESA standards (in million euro)

General government	ESA Code	Q1	Q2	Q3	Q4
		in m €			
Net lending/borrowing	S.13	- 6,352	- 4,480	- 5,080	- 6,573
Total revenue	TR	55,367	63,886	60,093	69,479
Total expenditure	TE	61,718	68,366	65,173	76,052

Rounding differences may occur.

Source: STAT

Table 15: Country Specific Recommendations

See: European semester – documents under

https://www.bundeskanzleramt.gv.at/agenda/europapolitik/europaeisches_semester.html

Table 16: Revenue from and expenditure financed by RRF grants (in million euro)

in m €	ESA Code	2020	2021	2022	2023	2024	2025	2026
Revenue from RRF grants								
RRF grants as included in the revenue projections ¹⁾			418.1	903.6	982.8	506.5	346.5	180.8
Cash disbursements of RRF grants from EU			450.0		742.1		2137.0	632.1
Expenditure financed by RRF grants		85.5	332.7	903.6	982.8	506.5	346.5	180.8
Total current expenditure		6.7	204.9	380.6	204.4	213.2	107.6	67.1
Compensation of employees	D.1	0.0	53.0	51.0	9.9	21.6	0.0	0.0
Intermediate consumption	P.2	0.0	148.3	280.7	101.6	65.3	5.6	2.1
Social payments	D.62+D.632	0.0	0.6	6.7	12.8	16.9	20.0	5.0
Interest expenditure	D.41	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies, payable	D.3	6.7	3.1	42.0	71.1	97.8	82.0	60.0
Current transfers	D.7	0.0	0.0	0.2	9.1	11.7	0.0	0.0
Total capital expenditure		78.8	127.8	523.1	778.4	293.3	238.9	113.7
Gross fixed capital formation	P.51g	78.8	96.0	121.3	179.8	130.7	85.5	62.5
Capital transfers	D.9	0.0	31.8	401.8	598.7	162.6	153.5	51.2
Other costs financed by RRF grants								
Reduction in tax revenue		-	-	-	-	-	-	-
Other costs with impact on revenue		-	-	-	-	-	-	-
Financial transaction		-	-	-	-	-	-	-

1) RRF grants in 2021 include grants for 2020.

Rounding differences may occur.

Sources: BMF, STAT

Table 17: RRF (incl. REPowerEU) co-financed programmes (in million euro)

in m €	2020	2021	2022	2023	2024	2025	2026
TOTAL CURRENT EXPENDITURE	6.7	204.9	380.6	204.4	213.2	107.6	67.1
Compensation of employees	0.0	53.0	51.0	9.9	21.6	0.0	0.0
Community nursing			22.6	9.9	21.6		
Elementary education			28.4				
Additional teaching lessons		53.0					
Intermediate consumption	0.0	148.3	280.7	101.6	65.3	5.6	2.1
Electronic platform for mother child passport			0.4	0.6	0.8	2.5	
Digitalisation of cultural objects				3.3	6.6	3.1	2.1
Digital end devices for pupils		51.2	50.0	35.3	35.3		
(Digital) Research infrastructures				16.2	13.8		
Digitalisation fund for public administration		6.8	43.7	46.2	8.7		
Reskilling and upskilling		90.3	186.6				
Social payments	0.0	0.6	6.7	12.8	16.9	20.0	5.0
Primary Health Centres		0.6	1.9	6.0	16.1	20.0	5.0
„Early support“-measure for socially disadvantaged			4.8	6.8	0.7		
Subsidies, payable	6.7	3.1	42.0	71.1	97.8	82.0	60.0
Circular economy package			30.0	53.0	68.5	30.0	20.0
IPCEI Microelectronic		0.02	0.4	0.2	18.2	26.0	20.0
IPCEI Hydrogen		0.08	0.03	12.9	11.0	26.0	20.0
Digitalisation of SMEs (KMU.Digital and KMU.E-Commerce)	6.7	3.0	11.5	5.0			
Current transfers	0.0	0.0	0.2	9.1	11.7	0.0	0.0
Biodiversity fund				4.7	7.5		
Investment fund climate-friendly culture sites			0.2	4.3	4.2		
TOTAL CAPITAL EXPENDITURE	78.8	127.8	523.1	778.4	293.3	238.9	113.7
Gross fixed capital formation	78.8	96.0	121.3	179.8	130.7	85.5	62.5
Renovation of Volkskundemuseum Wien and Prater Atelier			0.001	0.1	10.6	7.8	11.4
Austrian Institute of Precision Medicine				3.9	21.1	25.0	25.0
Quantum Austria			1.3	40.7	21.0	22.0	22.0
Construction of new railway lines and electrification of regional railways	78.8	96.0	119.9	135.1	78.0	30.7	4.1
Capital transfers	0.0	31.8	401.8	598.7	162.6	153.5	51.2
Emission free buses			0.1	33.3	48.3	51.2	51.2
Funding of emission free vehicles and infrastructure			15.0		3.0		
Investments to tackle energy poverty: oil boiler replacement					0.2	10.0	
Industrial transformation towards climate neutrality							
Investments into climate-fit town centres			0.0	1.6	3.3		
Broadband			52.0	104.0	61.7	92.3	
Investment premium RRF			207.5	365.5			
Replacement of oil and gas heaters		31.8	127.1				
Photovoltaic systems				94.2	46.1		
TOTAL RRF CO-FINANCED EXPENDITURE (sum)	85.5	332.7	903.6	982.8	506.5	346.5	180.8
Additional funds (earmarked as carry-overs)¹⁾						817.5	

2020-2024: Execution. From 2025 planned values.

Unused funds from 2020-2024 are in principle available to programmes in later years in addition to planned funds. The forecast does not include funds in reserves on the expenditure and revenue side, as the temporal allocation has not been determined.

1) Funds in reserves represent funds that have not yet been drawn down and are available to projects until the end of the RRF in 2026.

Source: BMF

Table 18: Comparison of macroeconomic and budgetary forecasts

	2024	2025	2026
Real GDP Growth			
WIFO	-1.2	-0.3	1.2
European Commission	-0.6	1.0	1.4
OeNB	-1.3	-0.1	1.2
IHS	-1.2	-0.2	1.1
Inflation			
WIFO (CPI)	2.9	2.7	2.1
WIFO (HICP)	2.9	2.8	2.1
European Commission (HICP)	2.9	2.1	1.7
OeNB (HICP)	2.9	2.9	2.3
IHS (HICP)	2.9	3.0	2.0
Unemployment rate (Eurostat)			
WIFO	5.2	5.3	5.2
European Commission	5.3	5.3	5.0
OeNB	5.2	5.3	5.1
IHS	5.2	5.4	5.3
General government net lending/borrowing in % of GDP			
BMF	-4.7	-4.5	-4.2
WIFO	-4.1	-3.3	-3.5
European Commission	-3.6	-3.7	-3.5
OeNB	-3.7	-4.1	-3.6
IHS	-4.0	-3.2	-3.2
Austrian Fiscal Advisory Council	-3.9	-4.1	-3.8
Gross debt in % of GDP			
BMF	81.8	84.7	86.2
WIFO	81.8	84.2	85.0
European Commission	79.5	80.8	81.8
OeNB	81.8	82.6	83.4
IHS	-	-	-
Austrian Fiscal Advisory Council	79.7	81.5	82.8

Direct comparability may be limited due to different definitions.

Sources:

BMF, May 2025

WIFO, March 2025

European Commission, Autumn 2024

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