Federal Ministry
Republic of Austria
Finance

Report on Effective Action to Correct the Excessive Deficit

Vienna, October 2025

Contents

1 Introduction

On 8 July 2025, the ECOFIN Council decided, in accordance with Article 126(6) of the Treaty on the Functioning of the European Union (TFEU), that an excessive deficit existed in Austria[1] and, at the same time, issued recommendations for its correction[2] in accordance with Article 126(7) TFEU. In these recommendations, it set Austria a deadline of 15 October 2025 to take effective action and present the necessary steps to that end.

This document is the report on these measures in accordance with Article 3(5) of Regulation (EC) No 1467/97, as amended by Regulation (EU) No 2024/1264. This report shall be published and forwarded to the European Commission and the Council.

Article 4(2) of Regulation (EU) No 473/2013 stipulates that draft budgetary plans must be submitted by 15 October each year. These must contain the draft budget for the following year. As part of the 2025/26 double budget, Austria already submitted an overview of its budget planning for these two years on 13 May 2025. On 23 June 2025, the European Commission published an opinion[3] confirming that the draft Austrian budget for 2025 and 2026 is in line with the provisions of the Stability and Growth Pact. In a statement issued on 30 June 2025, the Eurogroup[4] agreed with the Commission's assessment. The double budget for 2025 and 2026 was adopted by the Parliament on 18 June 2025.

This report contains updated macroeconomic and budgetary data and forecasts to provide an overview of developments since the submission of the Austrian Draft Budgetary Plan 2025 and 2026. This report is based on data from the national accounts (ESA 2010) of Statistics Austria (STAT) as well as the Federal Ministry of Finance's own calculations and estimates and uses the economic forecast of the Austrian Institute of Economic Research (WIFO) from October 2025.

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[1] https://www.consilium.europa.eu/media/enjputix/st10347en25.pdf
[2] https://data.consilium.europa.eu/doc/document/ST-10348-2025-INIT/en/pdf
[3] https://economy-finance.ec.europa.eu/document/download/155ab155-b079-418e-bc70-def5fece5b67_en?filename=C_2025_4106_1_EN_ACT_part1_v4.pdf
[4] https://www.consilium.europa.eu/en/press/press-releases/2025/06/30/eurogroup-statement-on-the-draft-budgetary-plan-of-austria-for-2025-and-2026/

2 Economic situation in Austria

2.1 Economic developments (2024-2026)

The environment of the Austrian economy has been challenging in recent years. Among other factors, weak external demand, increased energy and consumer prices, and the associated tightening of monetary policy in the euro area have put pressure on the domestic economy. Against this backdrop, Austria's economic output already stagnated in the second half of 2022. A recession set in at the beginning of 2023 and ended in the final quarter of 2024. According to revised quarterly national accounts data, real gross domestic product (GDP) declined by 1.9 % between the second quarter of 2022 and the fourth quarter of 2024. The recession was thus less severe than originally assumed. On the production side, the GDP decline was particularly pronounced in manufacturing and construction, while on the expenditure side it was driven by investment and goods exports.

In 2024, Austria recorded a 0.7 % decline in real GDP. Investment activity declined particularly sharply in the previous year. Equipment investment fell by 4.4 %, while investment in construction faced an even greater decline of 5.9 %. Goods exports declined by 4.5 %, roughly twice the rate of total exports. The combination of declining inflation and high wage growth allowed private consumption to increase by 1.0 % in real terms – while the savings rate increased at the same time. While value added in manufacturing, construction and trade declined particularly sharply, overall services made a slight positive contribution to growth.

According to the latest data, the Austrian economy saw moderate economic growth in the first half of the current year. In the second quarter, real GDP rose by 0.3 % compared to the same quarter of the previous year. In view of the latest data revision, WIFO has raised its forecast for GDP growth in 2025 to +0.3 %. The WIFO forecasts a 1.1 % increase in real economic output for the coming year.

The economic recovery beginning in 2025 will initially be driven by private consumption. WIFO expects consumption expenditure of private households to rise by 0.6 % in 2025. Investment is expected to decline slightly again this year, and goods exports are also forecast to decline in 2025. According to the WIFO assessment, the export-oriented business is suffering from US import tariffs and weak international demand for capital goods. Although goods exports are expected to pick up in the second half of 2025, a decline of 1.1 % is forecast for the year as a whole. Exports of goods and services are estimated to shrink by 0.4 % this year and grow by 1.2 % in 2026. Gross fixed capital formation is expected to grow at the same rate in 2026. Construction investment is set to grow by 0.2 % in 2026, marking the first increase since 2021. According to the forecast, private consumption will expand by 0.8 % in 2026.

On the production side of GDP, economic growth in 2025 can be attributed to services. Market services are also expected to expand – unlike last year. The growth forecast for trade has been significantly revised upwards to +1.2 %. The outlook for the manufacturing sector has also brightened considerably compared to the March forecast. Nevertheless, value added is expected to decline for the third consecutive year (-0.5 %). Value added in construction is also expected to decline by 0.5 %. Next year, manufacturing is expected to grow by 1.2 %. The forecast for the construction sector is +0.6 %.

The labour market has remained robust despite the economic weakness, but developments are still being affected by the aftermath of the recession. The unemployment rate (national definition) is expected to rise by 0.5 pp to 7.5 % in 2025. As the economy recovers, the unemployment rate is likely to fall to 7.3 % in 2026. WIFO forecasts a slight increase in employment of 0.2 % this year. A growth rate of 0.8 % is expected in 2026.

Inflation in Austria fell gradually over the course of last year, reaching an annual average of 2.9 % (CPI). The expiry of the electricity price brake and other factors caused a noticeable rise in inflation at the start of 2025. Starting at 3.2 % in January, inflation rose over the summer to 4.1 % in August. Against this backdrop, WIFO has increased its inflation forecast for 2025 to 3.5 %. A significant decline to 2.4 % is expected for next year.

Economic uncertainty remains elevated. There are downside risks, in particular in relation to geopolitical and trade policy developments.

3 Economic and budgetary challenges, goals and strategy

3.1 Budget execution 2024

The general government **Maastricht balance** amounted to **-23.1 bn euro** or **-4.7 % of GDP in 2024.** The high deficit was mainly due to the **different developments of government expenditures and revenues**. While government revenues increased by 5.3 % in 2024, government expenditures grew significantly more, by 9.3 %.

The measures with the biggest impact compared to the budget in October 2023 are:

- the extension of the electricity cost subsidy by half a year (approx. 0.5 bn euro),
- the extension of the reduction of energy tax to the European minimum level (approx. 1.0 bn euro),
- the extension of the suspension of renewable energy flat-rate and contribution (approx. 0.9 bn euro),
- the increase of the climate bonus (approx. 0.5 bn euro),
- the housing package (craftsman bonus, housing subsidies, reduction of ancillary fees on property purchases), which will mainly take effect in 2025 and 2026.

Furthermore, the flood disaster and the accounting of supplementary payments related to the 1st civil service law amendment 2023 (1. DRN, approx. 0.8 bn euro) led to a worsening of the general government balance.

Otherwise, the increase in government expenditures is related to lagging adjustments of employee compensation, pensions, and indexed social benefits to inflation. This is also reflected in the developments of ESA 2010 transaction classes. Expenditure for **compensation of employees** increased by 10.8 % and rose from 10.5 % of GDP to 11.3 % of GDP. Expenditures for **monetary social benefits** (D.62, pensions, social transfers) grew by 10.6 % and increased from 18.3 % to 19.6 % of GDP.

Expenditures for **social benefits in-kind** (D.63) also increased sharply by 9.9 %, growing from 4.3 % of GDP to 4.6 % of GDP. This category mainly includes in-kind benefits in the health and care sectors, particularly social insurance expenditures for general practitioners, medications, rehabilitation, and expenditures by states and municipalities for long term care. Lagged inflation adjustments to the remuneration of general practitioners are also reflected here.

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

Expenditures for **subsidies** on the other hand, decreased by -14.2 %, falling from 2.3 % of GDP in 2023 to 1.9 % of GDP in 2024, due to the phasing out of COVID aid.

The **government revenue ratio** stood at 50.5 % of GDP, the tax ratio (indicator 2) at 43.8 % of GDP, compared to the **government expenditure ratio** at 55.2 % of GDP.

By sector, the **federal sector** accounts for 16.8 bn euro of the 23.1 bn euro general government deficit. The federal sector's Maastricht result was thus €1.5 billion worse than forecast in October 2023. Only in the COVID-19 crisis years 2020-2022 did the federal level record a higher deficit. Half of this deviation is due to supplementary payments related to the 1st civil service law amendment 2023, which are fully recorded (i.e., including future cash payments) in the 4th quarter of 2024.

The **state level** showed a deficit of -2.4 bn euro (-0.5 % of GDP) in 2024, of which 1.7 bn euro is attributable to the fourth quarter of 2024. This is 3.3 bn euro higher than assumed in October 2023 and represents an increase of 1.9 bn euro compared to 2023. Comparable high deficits on the state level have only been seen since 1995 in the crisis years 2009, 2010, 2020, and 2021.

The **municipality level**’s result stands at -3.0 bn euro (-0.6 % of GDP) and is 3.3 bn euro higher than assumed in October 2023. This is a further worsening of 0.7 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 -0.9 bn euro and a further deterioration of 0.2 bn euro compared to 2023. The social security sector’s result was thus 1.3 bn euro worse than forecast in October 2023.

The **debt ratio** increased from 77.8 % of GDP in 2023 to 79.9 % of GDP due to the very high deficit.

3.2 Budgetary developments in 2025 and 2026

According to updated data, the **fiscal balance** will improve continuously from -4.7 % of GDP in 2024 to -4.5 % of GDP in 2025 and -4.2 % of GDP in 2026. The **debt ratio** rises by +1.7 pp to 81.7 % of GDP in 2025 due to the high deficit. This increase continues with lower momentum until 2026, reaching 83.1 % of GDP (+1.4 pp).

In 2025, **revenues** will grow by 4.2 %, which is significantly above the nominal GDP growth of 3.5 %, causing the revenue ratio to increase from 50.5 % in 2024 to 50.8 % of GDP. Revenues will also grow slightly faster than nominal GDP growth (3.5 % versus 3.4 %) in 2026, pushing the revenue ratio up slightly again to 50.9 % of GDP. Overall, this reflects a solid development of government revenues, attributable to a **stable labour market** with a rising employment rate despite a weak cyclical situation, and stable private consumption.

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

Revenues from production and import taxes show a very strong increase especially in 2025. This stems from additional revenues from the termination of the suspension of the renewable energy flat-rate and contribution (1 bn euro), the end of the reduction of the energy tax (almost 1 bn euro), the introduction of location contributions from banks and the energy industry (350 mn euro 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 backlog indexation to inflation of federal fees.

Additionally, the planned investment allowance for companies was included in the 2026 forecast.

Social contributions develop in line with the stable labour market and increase further in 2025 and 2026 due to the rise in health insurance contributions for pensioners.

For **income and wealth taxes** (D.5), a decline is initially observed in 2025, attributable to the final step of the corporate tax rate reduction in 2024 from 24 % to 23 %, leading to decreases in corporate tax and income tax each by about 0.1 pp of GDP. Furthermore, the proactive measure of tax-free bonuses for employees has a revenue-reducing effect. From 2026, the suspension of a third of the inflation adjustment of income tax-brackets will strengthen the development of revenue from income and wealth taxes.

Capital-related taxes (D.91, part of capital transfer revenues D.9) have so far contributed relatively little to government revenues, but are expected to rise significantly in 2026, doubling from 30 mn euro to over 60 mn euro due to increased taxation of foundations.

The **tax ratio**, which includes tax revenues and social security contributions, shows a similar development to the revenue ratio. It rises initially from 43.8 % of GDP in 2024 to 44.3 % in 2025 and increases slightly further to 44.5 % of GDP in 2026.

The development of **total government expenditures** shows a slight increase from 55.2 % of GDP in 2024 to 55.4 % of GDP in 2025. From 2026 onwards, the expenditure ratio begins to steadily decline due to consolidation measures.

This increase in the expenditure ratio in 2025 is mainly due to the effects of lagged 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 GDP growth of 2.2 % in 2025.

From 2026 onwards, monetary social benefits as a percentage of GDP steadily decline, as consolidation measures in the area of labour markets and pensions, as well as a dampening of social benefit adjustments, take effect.

Starting at a pension income of 2,500 euro, the new measure of a reduced pension indexation (statutory pension insurance and federal civil servants) will result in expenditure savings of 350 mn euro from 2026 onwards.

Rising **interest** expenditures throughout the entire period will continue to exert upward pressure on expenditures, rising from 1.5 % of GDP in 2024 to 1.8 % of GDP in 2026.

Expenditures for **compensation of employees** will still increase slightly as a percentage of GDP in 2025. Here, as with monetary social benefits, the public sector wage agreement of

3.5 %, which exceeds nominal GDP growth, plays a role, along with additional volume effects, e.g., in the security sector.

Due to comprehensive budget consolidation measures in administration and publicly owned companies, as well as the newly negotiated wage agreement in the public sector, employee compensation and intermediate consumption will continuously decline relative to GDP from 2026 onwards. The newly negotiated salary indexation for public employees will dampen expenditures starting in 2026.

The federal government's strong focus on savings and efficiency-enhancing measures in **subsidies** will lead to declining expenditures for subsidies, from 1.9 % of GDP in 2024 to 1.7 % of GDP in 2026.

Other current transfer expenditures will decline substantially already in 2025 by 0.6 pp of GDP, from 3.53 % to 2.95 % of GDP, due to the abolition of the climate bonus. Parts of larger savings measures in administration, asylum, as well as in states and municipalities, also contribute.

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 stable at around 4 % of GDP in 2025 and 2026, supported by investments in national defence and the continuation of the expansion of rail infrastructure within the ÖBB framework plan (despite a resizing of the plan).

Expenditures on **social benefits in-kind** benefits are expected to increase noticeably in 2025 and 2026. These mainly include in-kind benefits in the health and care sectors, particularly social insurance expenditures for general practitioners, medications, rehabilitation, and expenditures by states and municipalities for care.

3.3 Excessive Deficit Procedure

The new federal government was faced with a challenging budgetary situation. The outcome for 2024 was significantly worse than expected, with a budget deficit of 4.7 % of GDP. This meant that the budget deficit exceeded the threshold of 3 % of GDP permitted at EU level. As the public deficit will continue to exceed this limit in 2025 and 2026 according to the Austrian double budget, the European Commission concluded in June that Austria does not meet the EU deficit criterion.

Subsequently, on 8 July 2025, the ECOFIN Council also identified an excessive deficit in Austria[5] in accordance with Article 126(6) of the Treaty on the Functioning of the European Union (TFEU) and, at the same time, issued recommendations for its correction[6] in accordance with Article 126(7) TFEU. According to these recommendations, Austria should ensure that the nominal growth rate of net expenditure[7] does not exceed the maximum values set out in Annex I to the recommendations. Accordingly, the nominal growth rate of net expenditure should not exceed 2.6 % in 2025, 2.2 % in 2026, again 2.2 % in 2027, and 2.0 % in 2028.

Compliance with this correction path should ensure that the excessive deficit situation is brought to an end by 2028, with the budget deficit returning below the reference value of 3 % of GDP in that year.

In its recommendation pursuant to Article 126(7) TFEU, the Council also set Austria a deadline of 15 October 2025 to take effective action and present the necessary steps. In accordance with Article 3(5) of Regulation (EC) No 1467/97, as amended by Regulation (EU) No 2024/1264, Austria shall submit a report to the Council and the Commission within this deadline on the measures taken in response to this recommendation. The report should focus on the years 2025 and 2026.

With this report, the Austrian Federal Government is complying with the requirement to present effective measures to correct the excessive deficit.

The ambitious measures presented in this report by the Federal Government for 2025 and 2026 are the first step towards consolidating public finances. As outlined, there are no apparent risks of non-compliance with the target of 2.6 % net expenditure growth set for the current year. The Federal Government therefore considers that it has taken effective action in response to the Council's recommendation under Article 126(7) TFEU of 8 July.

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[5] https://www.consilium.europa.eu/media/enjputix/st10347en25.pdf

[6] https://data.consilium.europa.eu/doc/document/ST-10348-2025-INIT/en/pdf

[7] See chapter 1.2 of the Austrian Fiscal Structural Plan for the Years 2025-2029 for a definition of net expenditure growth

The Federal Government is committed to taking effective measures in the coming years to follow the net expenditure path set out in the deficit procedure and to bring the Maastricht deficit back below 3 % of GDP by 2028.

Until the excessive deficit has been corrected, Austria will report at least every six months on the progress made in implementing the Council recommendation under Article 126(7) of 8 July. This will take place in April as part of the annual progress report and in October as part of the draft budgetary plan. Austria's next report on effective measures will be submitted in April 2026 as part of the annual progress report.

3.3.1 Effective action to correct the excessive deficit

The Austrian Federal Government has already presented a comprehensive consolidation package worth 6.4 bn euro in 2025 and 8.7 bn euro in 2026 as part of the 2025/2026 double budget. The individual measures were presented in the Draft Budgetary Plan 2025 and in the Austrian Fiscal Structure Plan for the years 2025-2029. Of the 6.4 bn euro in 2025, 4.7 bn euro is attributable to expenditure measures and 1.7 bn euro to revenue measures; of the 8.7 bn euro in 2026, 5.8 bn euro is attributable to expenditure measures and 2.9 bn euro to revenue measures.

From a legislative perspective, most consolidation measures for 2025 and 2026 have already been passed. Some will be adopted by the end of 2025 (anti-fraud package and extension of tobacco tax to alternative products). Budget execution to date in 2025 and the updated forecast for the full year 2025 also show that, from the current perspective, the realization of the consolidation volume in 2025 is almost fully guaranteed. Noteworthy, unavoidable deviations in the volume of individual measures are due to pull-forward effects in the redimensioning of environmental subsidies and the abolition of educational leave. These are partly offset by improvements in implementation in other areas, e.g., in the area of e-mobility subsidies.

Based on the presentation of the consolidation package in the two reports mentioned above, in what follows the implementation status and any deviations in the volume of individual measures are presented:

Tax measures: The tax measures have now been almost completely implemented in law and are largely in force. The total consolidation volume amounts to 1.0 bn euro in 2025 and 2.2 bn euro in 2026. Specific measures to combat tax fraud and undesirable tax arrangements (0.3 bn euro in 2026) have already been prepared and are to be adopted by the end of 2025. The legislative implementation of the extension of the tobacco tax to alternative products (0.1 bn euro in 2026) will take place in fall 2025. With regard to budget execution in 2025, it should be noted that significant additional revenue will not be due until the fourth quarter. This includes the special payment by banks as part of the stability tax (0.3 bn euro by the end of October 2025) and the consolidation contribution from the energy industry (0.2 bn euro by December 15, 2025).

Savings by the ministries: A volume of 1.1 bn euro in 2025 and 1.3 bn in 2026 will be saved autonomously by the ministries. Accordingly, there are a number of different ministry-specific measures on the expenditure and revenue side. Noteworthy, the savings on the expenditure side are incorporated accordingly in the expenditure ceilings in the Federal Budgetary Framework Act 2025-2028 and the Federal Budgetary Framework Act 2026-2029. The MoF ensures a restrictive budget execution (see, for example, the implementing provisions for budget execution 2025 and 2026), thereby guaranteeing that the overall consolidation volume is achieved. At the federal budget level, the savings are already reflected, for example, in operating expenses, which fell by 3.3% in the period January-August 2025 compared to the previous year.

In parallel, the public sector wage agreement was renegotiated, which will have a positive effect on the 2026 budgets of the ministries: The May 2025 forecast took into account the adjustment applicable at that time for public sector wages in 2026, followed by two zero wage rounds in 2027 and 2028.

Against the backdrop of the current economic and budgetary situation, the Federal Government has renegotiated the salary agreement with the public sector union. As a result, the salary adjustment planned for 2026 will be more balanced and spread over the years 2026 to 2028.

Specifically, salaries will not be increased by 3.3% in 2026 as originally planned as of 1.1.2026, but only as of 1.7.2026, followed by a 1 % increase as of 1.8.2027, and as of 1.9.2028, respectively. This model will lead to reduced payments in the federal budget of around 310 mn euro in 2026 and, if states and municipalities adopt this agreement, to an even greater effect on the general government level.

Abolition of the climate bonus: The abolition of the climate bonus, which saves a total of 2.0 bn euro, was first reflected in the execution of the federal budget in September 2025. In September 2024, 1.8 bn euro was paid out for the climate bonus, which was not the case in 2025. The remaining 0.2 bn euro of the consolidation volume will be realized in the remaining months of the year and will result from the planned annual valorisation compared to the no-policy-change scenario, respectively. The same consolidation effect of 2.0 bn euro will also be achieved in 2026.

Cuts in subsidies: 1.3 bn euro of the total consolidation volume in 2025 and 2026 is attributable to cuts in subsidies. In 2025, due to the late adoption of the 2025 budget, the focus was also on one-off effects that could be realized quickly. The execution of the budget shows that the cuts can be realized in areas such as broadband subsidies (0.15 bn euro), investment premium (0.13 bn euro), and climate ticket (abolition of free climate ticket for 18-year-olds; 0.12 bn euro).

The consolidation effect resulting from the redimensioning of environmental subsidies will be slightly lower than expected (0.5 bn euro instead of 0.6 bn euro). Subsidies provided as part of the renovation campaign will result in higher expenditure in 2025, which will reduce the consolidation volume. These subsidies still relate to the old subsidy regime and are attributable to pull-forward effects and thus unavoidable payments in respect of commitments already made under this subsidy model. From a legislative perspective, the consolidation has been implemented.

From today's perspective, the consolidation volume for subsidies in 2026 can be achieved. The savings of 150.0 mn euro in 2026 as part of the subsidy task force have already been taken into account in the 2026 budget. The subsidy task force is currently examining which measures should be taken to increase efficiency in 2026 and subsequent years and how the planned savings can be distributed across specific areas. In addition, the working group is also working on the development of general principles for a subsidy strategy and the further development of the legislative framework for subsidies in order to ensure an efficient and consistent structure.

Structural reforms on the labour market and in the pension area as well as measures to increase the employment of older employees: The targeted consolidation volume of 0.2 bn euro in 2025 of the abolition of educational leave will be lower due to pull-forward effects that have occurred in view of the expiry of the measure. In 2026, the educational leave will be replaced by the more targeted “further training period”, for which a maximum of 0.15 bn euro will be made available. Further measures coming into force in 2026, such as the restriction of unemployment benefits in case of negligible employment (consolidation volume of 0.11 bn euro in 2026) and changes in the pension area (including changes to the use of the corridor pension and the introduction of partial pensions; total consolidation volume of 0.6 bn euro) have already been adopted.

The pension adjustment in 2026 will average 2.25%, which is below the underlying inflation rate of 2.7%. The adjustment will be socially graded. All pensions up to 2,500 euro will be increased by 2.7%, thus receiving full inflation compensation. In addition, pensions above 2,500 euro will be increased by a fixed amount of 67.50 euro (equivalent to 2.7% of 2,500 euro). In budgetary terms, the pension adjustment will result in reduced expenditure of 350 mn euro compared to the previous forecast for 2026, which will also have an impact on subsequent years due to the base effect.

Further measures are still being developed as part of the employment package for older people.

Contribution from state-affiliated companies: The contribution from state-affiliated companies, amounting to 0.6 bn euro in 2025 and 0.7 bn euro in 2026, consists of increased dividend payments from market producers in accordance with ESA 2010 on the one hand, and expenditure savings on the other hand. Some of the dividend payments have already been received, while the remainder is expected to be received by the end of the year. In terms of expenditure consolidation, 2025 and 2026 will primarily see resizing in the investment area of ÖBB-Infrastruktur AG, which was anchored in the decision on the new ÖBB framework plan for 2025-2030.

Other measures: Further measures such as the cancellation of the “APS Administrators” pilot project, the suspension of the indexation of social benefits (including child tax credit), measures to increase the integration of war refugees from Ukraine, and the increase in toll rates from 2026 have already been passed.

Savings in the state, municipal, and social security sector: Consolidation measures in the area of social security include, in particular, the increase in health insurance contributions for pensioners. This has been in effect since June 1.6.2025. An increase in the e-card fee has also been implemented and will be payable for the first time on 15.11.2025 (for the year 2026). In addition, the Austrian Health Insurance Fund (Österreichische

Gesundheitskasse, ÖGK) has implemented further independent cost-cutting measures, such as the introduction of deductibles for patient transports since July 2025.

Proactive location policy measures: In late summer, the Federal Government also presented further proactive location policy measures. These measures are counter-financed and will either be covered by existing funds or more than offset by savings resulting from the 2026 pension and salary adjustment. For example, support for energy-intensive industries (Electricity Price Compensation Act, Strompreiskostenausgleichsgesetz SAG) amounting to 75.0 mn euro in 2025 and 2026 (ESA perspective, cash flow 2026 and 2027) will be covered by reallocations/creation of reserves. The planned temporary doubling of the investment allowance with a total budget volume of 215 mn euro will be financed by reallocating existing budget funds from the Federal Ministry of Economy, Energy and Tourism.

3.3.2 Implementation of the net expenditure path

The European Commission bases its assessment of the effectiveness of the measures to correct the excessive deficit primarily on compliance with the correction path set out in the Council recommendation addressed to Austria on 8 July 2025 in accordance with Article 126(7) TFEU.

Accordingly, the **allowed net expenditure growth** is 2.6 % for 2025 and 2.2 % for 2026. The current budget update expects net expenditure growth of 2.3 % for 2025 and 2.0 % for 2026. This means that the **permitted target is being met.**

Table 1: Calculation of net expenditure growth

General government in bn €	STAT	Forecast	
	2024	2025	2026
Expenditure	**272.7**	**283.3**	**291.3**
1. Expenditure funded by transfers from the EU	0.9	0.8	0.6
2. National co-financing of EU programmes	0.9	0.9	0.9
3. Interest expenditure	7.3	8.5	9.5
4. Cyclical unemployment expenditure	0.1	0.8	0.7
Net expenditure (before DRM*)	**263.4**	**272.2**	**279.4**
Change compared to the previous year	+21.8	+8.9	+7.2
Incremental DRM	-0.4	2.9	1.8
Change compared to the previous year after DRM	+22.2	+6.0	+5.4
Net expenditure growth, in %	**+9.2**	**+2.3**	**+2.0**
Net expenditure growth according to the Council Recommendation, in %		+2.6	+2.2

* DRM = Discretionary revenue measures
Source: BMF

4 Annex

Table 2: Net expenditure growth

Net nationally financed primary expenditure	2024	2025	2026
Council Recommendation			
Annual growth rate in %		2.6	2.2
Cumulative growth rate in %		2.6	4.8
Report on Effective Action to Correct the Excessive Deficit			
Annual growth rate in %		2.3	2.0
Cumulative growth rate in %		2.3	4.3

Base year for cumulative growth is 2024
Source: BMF

Table 3: Main variables

General government	2024	2025	2026
		in % of GDP	
Net lending/borrowing (B.9)	-4.7	-4.5	-4.2
Structural balance	-4.0	-3.7	-3.5
Structural primary balance	-2.5	-2.0	-1.7
Gross debt	79.9	81.7	83.1
Change in gross debt (in pp)	2.1	1.7	1.4

Source: BMF

Table 4: Macroeconomic developments

Gross domestic product	ESA Code	2024	2024	2025	2026
		in bn €	rate of change in %		
Real GDP	B.1*g	380.2	-0.7	0.3	1.1
GDP deflator			4.1	3.2	2.2
Nominal GDP	B.1*g	494.1	3.4	3.5	3.4
Components of real GDP			**rate of change in %**		
Private consumption expenditure[1)]	P.3	193.7	1.0	0.6	0.8
Government consumption expenditure	P.3	80.2	3.8	1.0	0.0
Gross fixed capital formation	P.51g	87.8	-4.3	-0.3	1.2
Changes in inventories and net acquisition of valuables (in % of GDP)	P.52 + P.53		0.0	0.1	0.1
Exports of goods and services	P.6	224.9	-2.3	-0.4	1.2
Imports of goods and services	P.7	205.5	-2.6	1.2	1.3
Contribution to real GDP growth (in percentage points)					
Final domestic demand			0.2	0.5	0.7
Changes in inventories and net acquisition of valuables[2)]	P.52+P.53		-1.0	0.7	0.4
External balance of goods and services	B.11		0.1	-0.9	0.0
Deflators and HICP			**rate of change in %**		
Private consumption deflator			3.3	3.6	2.5
p.m. HICP			2.9	3.5	2.4
Government consumption deflator			4.6	3.8	2.9
Investment deflator			3.0	1.2	1.8
Export price deflator (goods and services)			0.7	1.3	1.1
Import price deflator (goods and services)			-0.4	0.9	1.4
Labour market		**level**	**rate of change in %**		
Domestic employment (1000 persons)		4,732	0.1	0.0	0.6
Average annual hours worked per person employed		1,535	0.1	0.0	0.0
Real GDP per person employed			-0.7	0.3	0.5
Real GDP per hour worked			-0.8	0.3	0.5
Compensation of employees (in bn €)	D.1	252.2	7.4	4.0	3.5
Compensation per employee (in €)		53,303	7.3	4.0	2.9
Unemployment rate (Eurostat, in %)			5.2	5.7	5.5
Potential GDP and components			**rate of change in %**		
Potential GDP			0.7	0.6	0.7
Contribution to potential growth (in percentage points)					
Labour			0.3	0.1	0.2
Capital			0.3	0.3	0.3
Total factor productivity			0.2	0.2	0.2
Output gap (in % of potential GDP)			-1.3	-1.5	-1.1

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

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

Sources: BMF, STAT, WIFO

Table 5: External assumptions

		2024	2025	2026
Short-term interest rate	*in %, annual average*	3.6	2.2	2.0
Long-term interest rate	*in %, annual average*	2.8	3.0	3.0
Exchange rate (USD/EUR)	*annual average*	1.1	1.1	1.2
World real GDP (excl. EU)	*rate of change in %*	3.2	2.9	2.7
EU real GDP	*rate of change in %*	1.0	1.4	1.3
World import volumes (excl. EU)	*rate of change in %*			
Oil price	*Brent, USD/Barrel*	79.8	69.0	65.5

Source: WIFO

Table 6: Budgetary projections

	ESA Code	2024 in bn €	2024 in % of GDP	2025 in % of GDP	2026 in % of GDP
Revenue					
Taxes on production and imports	D.2	67.5	13.7	14.2	14.3
Current taxes on income, wealth, etc.	D.5	69.4	14.0	13.8	13.8
Social contributions	D.61	79.0	16.0	16.2	16.3
Other current revenue	(P.11+P.12+P.131) + D.39 + D.4 + D.7	32.6	6.6	6.4	6.4
Capital taxes	D.91	0.03	0.01	0.01	0.01
Other capital revenue	D.92 + D.99	1.1	0.2	0.2	0.2
Total revenue	**TR**	**249.6**	**50.5**	**50.8**	**50.9**
Of which: Transfers from the EU[1)]	D.7EU + D.9EU	0.9	0.2	0.1	0.1
Total revenue other than transfers from the EU		248.6	50.3	50.7	50.8
p.m. Revenue measures (increments)		-0.4	-0.1	0.6	0.3
p.m. Revenue reductions funded by transfers from the EU (levels)		-	-	-	-
p.m. One-off revenue included in the projections (levels)		-	-	-	-
Expenditure		**in bn €**	**in % of GDP**		
Compensation of employees	D.1	55.8	11.3	11.5	11.4
Intermediate consumption	P.2	34.5	7.0	6.9	6.8
Interest expenditure	D.41	7.3	1.5	1.7	1.8
Social benefits other than social transfers in kind	D.62	96.9	19.6	20.2	19.9
Social transfers in kind	D.632	22.8	4.6	4.9	5.0
Subsidies	D.3	9.3	1.9	1.8	1.7
Other current expenditure	D.29 + (D.4-D.41) + D.5 + D.7 + D.8	19.8	4.0	3.4	3.6
Gross fixed capital formation	P.51g	19.7	4.0	3.9	4.1
Of which: Nationally financed public investment		19.6	4.0	3.9	4.1
Capital transfers	D.9	6.3	1.3	1.1	0.9
Other capital expenditure	P.52 + P.53 + NP	0.2	0.0	0.0	0.0
Total expenditure	**TE**	**272.7**	**55.2**	**55.4**	**55.1**
Of which: Expenditure funded by transfers from the EU[2)]	D.7EU + D.9EU	0.9	0.2	0.1	0.1
Nationally financed expenditure		271.7	55.0	55.2	55.0
p.m. National co-financing of programmes funded by the Union		0.9	0.2	0.2	0.2
p.m. Cyclical component of unemployment benefits		0.1	0.0	0.2	0.1
p.m. One-off expenditure included in the projections (levels)		-	-	-	-
Net nationally financed primary expenditure (before DRM)		**263.4**	**53.3**	**53.2**	**52.9**
Net nationally financed primary expenditure growth					
Rate of change in %			**9.2**	**2.3**	**2.0**

1) Accrued revenue, not cash 2) Equals "Transfers from the EU" above
Source: BMF

Table 7: Budgetary projections – main variables

	ESA Code	2024	2024	2025	2026
		in bn €	in % of GDP		
Net lending/borrowing, general government	**B.9 (S.13)**	**-23.1**	**-4.7**	**-4.5**	**-4.2**
Central government	B.9 (S.1311)	-16.8	-3.4	-3.2	-3.2
State governments (excl. Vienna)	B.9 (S.1312)	-2.4	-0.5	-0.4	-0.3
Local governments (incl. Vienna)	B.9 (S.1313)	-3.0	-0.6	-0.8	-0.6
Social security funds	B.9 (S.1314)	-0.9	-0.2	-0.1	-0.1
Primary balance	B.9 + D.41p	-15.8	-3.2	-2.9	-2.4
Structural balance		-	-4.0	-3.7	-3.5
Structural primary balance		-	-2.5	-2.0	-1.7
Gross debt		**394.8**	**79.9**	**81.7**	**83.1**
Change in gross debt (in pp)		23.3	2.1	1.7	1.4
Contributions to changes in gross debt					
Primary balance			3.2	2.9	2.4
Snowball effect			-1.1	-1.1	-0.8
Interest expenditure			1.5	1.7	1.8
Growth			0.5	-0.2	-0.9
Inflation			-3.1	-2.5	-1.8
Stock-flow adjustment			0.0	-0.1	-0.1
p.m. Implicit interest rate on debt (in %)			2.0	2.2	2.3
Defence expenditure		**in bn €**	**in % of GDP**		
Total defence expenditure	COFOG 2	3.3	0.7	0.8	1.0
Defence investment	COFOG 2, P.51g	0.7	0.1	0.2	0.4

Source: BMF

Table 8: Budgetary prospects ("No-policy change"-assumption)

	ESA Code	2024	2024	2025	2026
		in bn €	in % of GDP		
Revenue					
Taxes on production and imports	D.2	67.5	13.7	14.0	14.1
Current taxes on income, wealth, etc.	D.5	69.4	14.0	13.8	13.7
Social contributions	D.61	79.0	16.0	16.1	16.2
Other current revenue	(P.11+P.12+P.131) + D.39 + D.4 + D.7	32.6	6.6	6.3	6.2
Capital taxes	D.91	0.03	0.01	0.01	0.01
Other capital revenue	D.92 + D.99	1.1	0.2	0.2	0.2
Total revenue	**TR**	**249.6**	**50.5**	**50.5**	**50.4**
Expenditure		**in bn €**	**in % of GDP**		
Compensation of employees	D.1	55.8	11.3	11.5	11.4
Intermediate consumption	P.2	34.5	7.0	7.0	6.9
Interest expenditure	D.41	7.3	1.5	1.7	1.8
Social benefits other than social transfers in kind	D.62	96.9	19.6	20.2	20.2
Social transfers in kind	D.632	22.8	4.6	4.9	5.0
Subsidies	D.3	9.3	1.9	1.9	1.8
Other current expenditure	D.29 + (D.4-D.41) + D.5 + D.7 + D.8	19.8	4.0	3.9	4.0
Gross fixed capital formation	P.51g	19.7	4.0	4.0	4.2
Of which: Nationally financed public investment		19.6	4.0	4.0	4.2
Capital transfers	D.9	6.3	1.3	1.2	0.9
Other capital expenditure	P.52 + P.53 + NP	0.2	0.0	0.0	0.0
Total expenditure	**TE**	**272.7**	**55.2**	**56.3**	**56.3**
Main variables - General Government ("No-policy change"-assumption)		**in bn €**	**in % of GDP**		
Net lending/borrowing	B.9 (S.13)	-23.1	-4.7	-5.8	-5.9
Primary balance	B.9 + D.41p	-15.8	-3.2	-4.1	-4.1

Source: BMF

Table 9: Discretionary revenue measures

Measures	ESA Code	2024	2025	2026
			in mn €	
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
Measures since 13 May 2025				
Increase investment allowance	*D.5*			-30.0
New discretionary revenue measures			**1694.7**	**2871.2**
in % of GDP			**0.3**	**0.5**
Incremental effect of new DRM (excluding dividends)			**1247.7**	**1162.5**
Incremental effect of older DRM (before 13 May 2025)		**-400.8**	**1673.8**	**620.0**
Total incremental effect of discretionary revenues measures: DRM		**-400.8**	**2921.5**	**1782.5**

Source: BMF

Table 10: Discretionary expenditure side measures

Measures	ESA Code	2024	2025	2026
			in mn €	
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.62*		-140.0	-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)*		-469.0	-819.9
Subsidy task force	*D.3*		0.0	-150.0
Agriculture, forestry, and water management (including forest fund)	*D.3*		-120.0	-25.5
Mobility subsidies and transport service contracts	*D.3*			-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.62*			150.0
Initiative 55 Plus	*D.62*			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 before 13 May 2025			-78.9	-71.5
Measures since 13 May 2025				
Pension indexation	*D.62*			-350.0
Electricity Price Compensation Act (SAG)	*D.3*		75.0	75.0
Counter-financing SAG (UG 40)	*D.3 (D.9)*		-75.0	-75.0
Total expenditure-side measures			**-4,502.0**	**-6,184.6**
in % of GDP			**-0.9**	**-1.2**

Source: BMF

Table 11: Contingent liabilities

in % of GDP	2024	2025	2026
Public guarantees	12.8	11.8	11.4
of which: central government[1)]	10.1	9.0	8.7
of which: linked to the financial sector[2)]	0.2	0.1	0.1
of which: state and local governments	1.8	2.8	2.7
of which: linked to the financial sector[2)]	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 12: Quarterly budgetary execution in 2025 in accordance with ESA standards

General government	ESA Code	Q1	Q2
		in mn €	
Net lending/borrowing	S.13	- 8,305	- 4,994
Total revenue	TR	57,262	66,161
Total expenditure	TE	65,567	71,156

Rounding differences may occur.

Source: STAT

Table 13: Country Specific Recommendations

See: European semester – documents under
https://www.bundeskanzleramt.gv.at/agenda/europapolitik/europaeisches_semester.html

Table 14: Revenue from and expenditure financed by RRF grants

in mn €	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**
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
Capital transfers	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 15: RRF (incl. REPowerEU) co-financed programmes

in mn €	2020	2021	2022	2023	2024	2025	2026
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**	**280.9**	**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			0.2	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**	**0.0**	**9.1**	**11.7**	**0.0**	**0.0**
Biodiversity fund				4.7	7.5		
Investment fund climate-friendly culture sites				4.3	4.2		
TOTAL CURRENT EXPENDITURE	**6.7**	**204.9**	**380.6**	**204.4**	**213.2**	**107.6**	**67.1**
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			0.0	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 reg	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			0.04	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 CAPITAL EXPENDITURE	**78.8**	**127.8**	**523.1**	**778.4**	**293.3**	**238.9**	**113.7**
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 2020-2023 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 16: Comparison of macroeconomic and budgetary forecasts

	2024	2025	2026
Real GDP Growth			
WIFO	-0.7	0.3	1.1
European Commission	-1.2	-0.3	1.0
OeNB		0.3	0.8
IHS	-0.7	0.4	0.9
Inflation			
WIFO (CPI)	2.9	3.5	2.4
WIFO (HICP)	2.9	3.5	2.4
European Commission (HICP)	2.9	2.9	2.1
OeNB (HICP)	2.9	3.5	2.4
IHS (HICP)	2.9	3.5	2.4
Unemployment rate (Eurostat)			
WIFO	5.2	5.7	5.5
European Commission	5.2	5.3	5.2
OeNB	5.2	5.5	5.4
IHS	5.2	5.5	5.4
General government net lending/borrowing in % of GDP			
BMF	-4.7	-4.5	-4.2
WIFO	-4.7	-4.2	-3.9
European Commission	-4.7	-4.4	-4.2
OeNB	-4.7	-4.2	-3.8
IHS	-4.7	-4.3	-4.1
Austrian Fiscal Advisory Council	-4.7	-4.3	-4.1
Gross debt in % of GDP			
BMF	79.9	81.7	83.1
WIFO	79.9	81.5	83.1
European Commission	81.8	84.0	85.8
OeNB	81.8	84.2	85.8
IHS			
Austrian Fiscal Advisory Council	81.8	84.6	86.3

Direct comparability may be limited due to different definitions.

Sources:

BMF, October 2025

WIFO, October 2025

European Commission, Spring 2025

OeNB, June 2025, September 2025 (growth and inflation)

IHS, October 2025

Austrian Fiscal Advisory Council, Spring 2025

Table 17: Progress with reforms and investments underpinning an extension of the adjustment period

	Measure	Description and timing of key steps	Status
1	**Education** (‘Opportunity bonus’) (RRP measure 91a and adding to RRP measure)	Step 1: Implementation of milestone 91a under the RRP by Q4 2025	Completed
		Step 2: Attribution of funding by Q1 2026	Completed
		Step 3: First monitoring report by the Ministry of Education on the roll-out of the opportunity bonus (school year 2026/27) by Q4 2028	On track
2	**Health insurance** (new measure)	Implementation of the law by Q3 2025	Completed
3	**First pensions increase** (‘Aliquotierung’) (new measure)	Implementation of the law by Q1 2026	Completed
4	**Increase in effective retirement age** (‘Corridor pension’) (new measure)	Step 1: Adoption of the law by Q3 2025	Completed
		Step 2: Implementation of the law. The legal entry age into early retirement (‘Corridor pension’) is 63 years by Q2 2027	On track
		Step 3: Implementation of the law. The required insurance periods for early retirement are 504 months by Q1 2029	On track
5	**Early childhood education and care**(new measure)	Step 1: Allocation of additional funding for Länder (federal states) from federal budget by Q1 2026	Completed
		Step 2: Second kindergarten year is implemented in all Länder by Q3 2027	On track

	Measure	Description and timing of key steps	Status
6	**Labour market - educational leave** (new measure)	Step 1: Adoption of the law by Q1 2026	On track
		Step 2: Implementation of the law by Q2 2026	
7	**Labour market - access for third-country nationals** (‘Red-White-Red’ card)(new measure)	Implementation of the law reforming the criteria underlying the ‘Red-White-Red’ card and digitalisation of the ‘Red-White-Red’ card by Q1 2028	On track
8	**Reform of unemployment benefits** (new measure)	Implementation of the law by Q1 2026	On track
9	**Lottery tax** (new measure)	Implementation of the law (budget accompanying law) by Q1 2026	Completed
10	**Concession and lottery tax for electronic lotteries** (new measure)	Implementation of the law (budget accompanying law) by Q1 2026	Completed
11	**Real estate taxation share deals** (new measure)	Implementation of the law (budget accompanying law) by Q1 2026	Completed
12	**Real estate taxation upzoning gains** (new measure)	Implementation of the law (budget accompanying law) by Q1 2026	Completed
13	**Foundation donation tax** (new measure)	Implementation of the law (budget accompanying law) by Q1 2026	Completed
14	**Research & Development – capitalise internally developed R&D costs** (new measure)	Step 1: Adoption of the law by Q4 2027	On track
		Step 2: Implementation of the law by Q1 2029	On track

List of Tables

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