



Tariff shock from the USA: Regional Impacts

April 2025

Regional exports to the USA 2024 *

	Volume	0	1	2	3	4	Share **	in % of GDP
Styria	4,01 bn						14,5 %	6,4 %
Upper Austria	3,91 bn						8,2 %	4,7 %
Vienna	3,38 bn						10,8 %	2,7 %
Lower Austria	1,65 bn						5,7 %	2,2 %
Tyrol	1,00 bn						5,8 %	2,3 %
Salzburg	0,94 bn						7,2 %	2,5 %
Vorarlberg	0,87 bn						6,7 %	3,9 %
Carinthia	0,43 bn						4,6 %	1,6 %
Burgenland	0,05 bn						2,0 %	0,5 %

* Estimation

** Share of total exports

Source: UniCredit, Statistic Austria

Overview

TARIFF SHOCK: REGIONAL IMPACTS

- On April 2, 2025, US President Trump announced the introduction of so-called "reciprocal" tariffs. There is the base rate of 10 percent, which applies to all U.S. trading partners. In addition, there is a country-specific import tariff, which is 10 percent for EU countries, for example. Overall, a minimum tariff rate of 20 percent will apply to imports from the EU for most goods in the future. On April 9, President Trump ordered that only the 10 percent flat rate for all countries except China would be applied for the next 90 days. The already fixed tariffs of 25 percent on steel and aluminum or motor vehicles will remain in place.
- The USA is an important trading partner of Austria. In 2024, Austrian exports to the USA amounted to 16.2 billion euros, with machinery, automotive industry products and pharmaceutical goods being the main categories. This makes the United States the second most important export partner after Germany.
- Imports from the USA to Austria amounted to 7.7 billion euros in the previous year, significantly below the export volume to the USA. This corresponds to an Austrian trade surplus of about 8.5 billion euros with the United States. The most important import goods are pharmaceutical products, motor vehicles and optical equipment.
- Styria, Upper Austria and Vienna are responsible for more than two-thirds of Austrian exports to the USA. Burgenland has by far the lowest export volume. In the two industrial strongholds of Styria and Upper Austria, exports to the USA account for the highest share of regional economic output at 6.4 and 4.7 percent respectively.
- Overall, we assume that the protectionist measures in the USA will push down domestic economic output by 0.25 percent, with Styria (-0.5 percent) and Upper Austria (-0.4 percent) feeling the effects the most.

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As of: April 2025

Details

The following analysis deals with the possible impact of the current decisions on new import tariffs in the USA on the economy of the Austrian provinces. In 2024, Austria exported goods worth 16.2 billion euros to the USA. With an export volume of well over 4 billion euros each, the product groups machinery and pharmaceutical products are responsible for more than 50 percent of Austrian exports in the previous year. In the automotive sector and steel/aluminum, exports amounted to about 1.5 billion euros and just under 1 billion euros respectively in 2024.

In terms of imports, the pharmaceutical sector and goods from the automotive industry are the two most important goods. Notably, exports to the U.S. rose 10 percent last year compared to a 5 percent decline in total exports. This increase is mainly due to pharmaceutical products, with an increase of over 80 percent. However, there was also a solid increase against the general trend in exports of machinery to the USA. On the other hand, there was a sharp decline in motor vehicle exports of almost 17 percent.

Austria: Trade in goods with USA

EXPORTS	Y1Y%	2024 (€mio)	2024					2023	Y1Y%	IMPORTS
			5	4	3	2	1			
Machinery	9,6%	4.638						2.442	-2,0%	Pharmaceutical
Pharmaceutical	83,2%	4.543						756	-4,7%	Vehicles
Vehicles	-16,7%	1.570						688	-2,3%	Optical
Electronics	-5,7%	1.115						649	-13,9%	Machinery
Optical	-3,0%	595						493	125,2%	Aircraft

■ 2024 Exports ■ 2023 Exports ■ 2024 Imports ■ 2023 Imports

Source: UniCredit, Statistic Austria

US-EXPORTS: SHARE OF FEDERAL STATES

More than two-thirds of Austrian goods exports to the USA in 2024 came from Styria, Upper Austria and Vienna. Styrian and Upper Austrian exports amounted to 4 billion euros, while Viennese US exports amounted to 3.4 billion euros. The share of regional US exports in regional economic output in 2024 was highest in Styria and Upper Austria, at 6.4 percent and 4.7 percent respectively. Burgenland has the least dependence on the American economy, both in absolute volume and relative to regional economic output. This means that the regional economies in Styria and Upper Austria are most affected by the new American import taxes. Both regions will be disproportionately burdened by the already introduced tariffs of 25 percent on steel and aluminum as well as on the planned tariffs of 25 percent on vehicles and parts thereof and 20 percent on machinery and electronics. The share of Upper Austrian and Styrian exports of machinery and electronics was over 60 percent in the first half of 2024 and the share of the two countries in the total Austrian motor vehicle exports was even over 90 percent, with the majority of Austrian US exports of car parts coming from Styria with its mobility cluster at over 70 percent. In Vienna, on the other hand, the majority of exports to the USA consist of pharmaceutical goods, which are among the few products that are still exempt from the new tariffs.

Regional exports of machinery and electronics

	Volume (1. HY 2024)	Share*	Share**
Upper Austria	1.045,1 mio	34,4%	53,4 %
Styria	883,2 mio	29,1%	44,1 %
Salzburg	255,2 mio	8,4%	54,5 %
Vorarlberg	244,4 mio	8,0%	56,1 %
Lower Austria	187,2 mio	6,2%	22,7 %
Tyrol	149,8 mio	4,9%	30,1 %
Vienna	145,4 mio	4,8%	8,6 %
Carinthia	112,5 mio	3,7%	52,9 %
Burgenland	13,7 mio	0,5%	50,9 %

* Share of Austrian US exports of machinery and electronics

** Share of the state's US exports

Source: UniCredit, Statistic Austria

Regionale exports of vehicles and parts thereof

	Volume (1. HY 2024)	Share*	Share**
Styria	582,01 mio	73,6%	29,0 %
Upper Austria	151,13 mio	19,1%	7,7 %
Lower Austria	51,32 mio	6,5%	6,2 %
Salzburg	2,99 mio	0,4%	0,6 %
Vienna	2,25 mio	0,3%	0,1 %
Tyrol	0,72 mio	0,1%	0,1 %
Vorarlberg	0,07 mio	0,0%	0,0 %
Carinthia	0,05 mio	0,0%	0,0 %
Burgenland	0,01 mio	0,0%	0,0 %

* Share of Austrian US exports of vehicles and parts thereof

** Share of the state's US exports

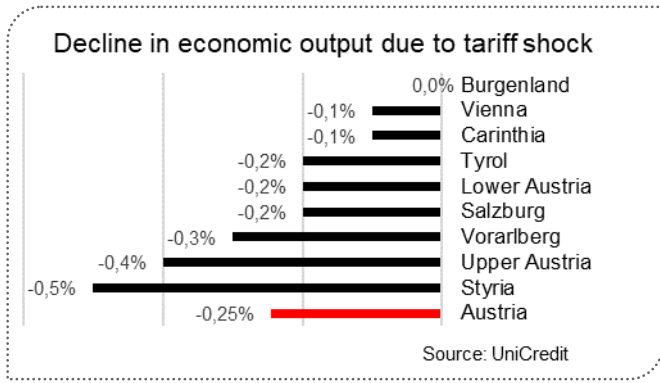
Source: UniCredit, Statistic Austria

MORE THAN TENFOLD INCREASE IN CUSTOMS DUTIES

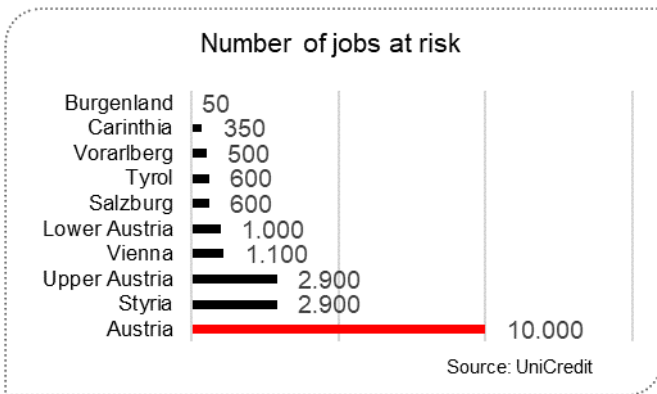
Until the time of President Trump's new tariff plans, the trade-weighted tariff burden on Austrian exports to the US in 2024 was about 1.3 percent of the export volume or 210 million euros. At around 120 million, more than half of the customs duties were caused by exports of machinery, electronics and automotive parts. If the recently presented US tariff plans were applied to Austrian exports to the USA in the previous year, trade-weighted tariffs would have amounted to about 16 percent of the export volume of 16.23 billion euros, which would have corresponded to a tenfold increase in the customs burden in 2024 from over 200 million euros to about 2.6 billion euros. The new trade-weighted tariff rate of 16 percent is below the flat rate of 20 percent on imports from the EU, as pharmaceutical products are still exempt from the new tariff regime. With an export volume of 4.5 billion euros to the USA last year, the Austrian pharmaceutical industry is of relatively high importance, especially for Vienna and Tyrol.

IMPACT ON THE REGIONAL ECONOMY

Overall, we assume that the new US tariffs will cost the Austrian economy about 0.25 percent in value added. Due to the different importance and impact of industry in the federal states already described, the effects on regional economic performance vary. The two industrial strongholds of Styria and Upper Austria are the hardest hit by the protectionist measures of the USA, with a decline in economic output of 0.5 percent and 0.4 percent respectively. Due to Vienna's high share of pharmaceuticals in US exports, the negative effect of the tariff shock in the federal capital is relatively weak at 0.1 percent. The direct impact on the regional economy is lowest in Vienna, Carinthia and Burgenland.



In total, about 40,000 jobs in Austria depend directly on exports of goods to the USA. Almost 10,000 jobs in Austria are at risk from President Trump's new tariff measures. With almost 3,000 industrial jobs threatened each, the negative effects are strongest in Styria and Upper Austria.



SUMMARY

The United States announced on April 2 that it would impose new "reciprocal" import tariffs on most goods, including EU countries. The tariffs were reduced again on April 9 for 90 days for most countries and products. The application of the American tariff plans of April 2 would mean that an average trade-weighted tariff rate of around 16 percent would apply to Austrian exports to the USA in the future, compared to 1.3 percent so far.

For Austrian exports to the USA, this means an average trade-weighted tariff rate of around 16 percent in the future, compared to 1.3 percent previously, with pharmaceutical products currently still exempt. Exports to the USA had a volume of 16.2 billion euros in 2024 – the most important product groups are machinery, automotive products and pharmaceuticals. The provinces of Styria, Upper Austria and Vienna account for more than two-thirds of US exports. The export-heavy regions of Styria and Upper Austria are particularly affected, with economic losses of 0.5 percent and 0.4 percent of regional product respectively due to the new tariffs. Vienna is only relatively slightly affected due to the high proportion of duty-free pharmaceutical exports. Overall, the protectionist measures of the US government are likely to push down domestic economic output by 0.25 percent. Around 10,000 jobs are at risk, especially in the industrial strongholds of Styria and Upper Austria, each with almost 3,000 jobs threatened. The measures would mean a significant setback for transatlantic trade.

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