



# Austria Up-to-date

**April 2026**

# Overview

## INCREASED ENERGY COSTS WEIGH ON ECONOMIC RECOVERY

|                          | 2024 | 2025 | 2026 | Rev. <sup>1)</sup> | 2027 | Rev. <sup>1)</sup> |
|--------------------------|------|------|------|--------------------|------|--------------------|
| GDP (real, change in %)  | -0.7 | 0.5  | 0.8  | ↓                  | 1.2  | ↓                  |
| Inflation (CPI, in %)    | 2.9  | 3.5  | 3.0  | ↔                  | 2.6  | ↔                  |
| Unemployment rate (in %) | 7.0  | 7.4  | 7.4  | ↔                  | 7.3  | ↔                  |

1) Revision since last report

- Ongoing Iran war weakens Austrian economy**

The moderate recovery of the Austrian economy seems to be continuing in the first months of 2026. However, with the start of the Iran war and the subsequent sharp rise in energy prices, sentiment indicators are pointing noticeably downwards in March. Due to the Iran conflict, we have now withdrawn our growth forecast for the Austrian economy. We assume that the tentative recovery of the domestic economy will slow down, mainly due to an impairment of consumption and the willingness to invest but will not come to a standstill. We have now lowered our GDP forecast by 0.2 percentage points to 0.8 percent for 2026 and 0.3 percentage points to 1.2 percent for 2027.

- Unemployment rate unchanged at 7.5 percent**

The slight improvement trend in the labor market stalled at the beginning of the year, but the situation remains stable. The unemployment rate in March was unchanged from the previous months at 7.5 percent, seasonally adjusted.

As a result of the slowdown in the economic recovery due to the effects of the Iran war, the trend reversal on the labor market will be postponed by a few months.

After the unemployment rate rose to 7.4 percent in 2025, we again expect an unemployment rate of 7.4 percent for 2026. Only in 2027, supported by demographic effects, should a stable downward trend prevail and allow the unemployment rate to fall to at least 7.3 percent.

- Budget deficit in 2025 is lower than planned**

The consolidation efforts in the public budget took effect in the second half of 2025. The general government deficit fell to 21.5 billion euros or 4.2 percent of GDP and thus even remained below the originally planned value of 4.5 percent of GDP. The success was mainly due to a better result in the federal budget, while the municipalities (including Vienna) reported a significantly higher deficit than in the previous year. Total debt rose to 81.5 percent of GDP in 2025.

- Iran conflict will cause inflation to rise again**

Inflation in the first two months of 2026 fell to an average of 2.1 percent year-on-year, mainly due to the elimination of the effect of the expiry of the electricity price brake from the calculation, but also due to declining upward pressure from food and service prices. We currently expect a relatively quick end to hostilities, which would allow energy prices to return to pre-conflict levels by the end of 2026. As the preliminary

figures for March already indicate, inflation will be significantly higher in the coming months. We have now raised our inflation forecast from 1.9 percent on average in 2026 to 3.0 percent. At 2.6 percent, inflation is also expected to be higher than previously assumed for 2027.

- ECB is likely to respond with rate hike**

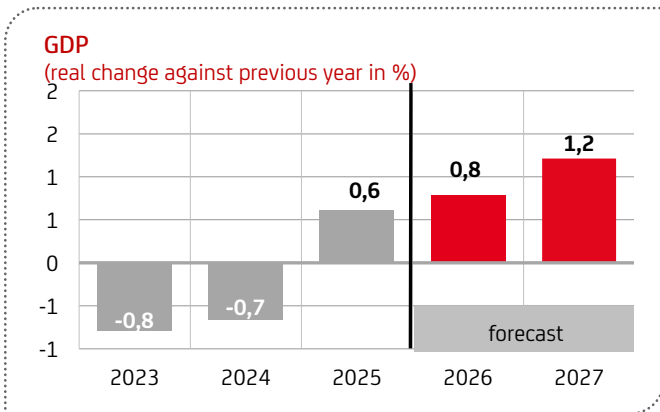
Since the Iran war has been going on for some time and the consequences of the blockade of the Strait of Hormuz on inflation are now significant, we assume that the European Central Bank (ECB) will raise key interest rates to stabilize inflation expectations. We expect the deposit rate to rise by 25 basis points to the upper limit of neutral territory in June and September. In the third quarter of 2027, the ECB could reverse an interest rate hike.

### International Environment

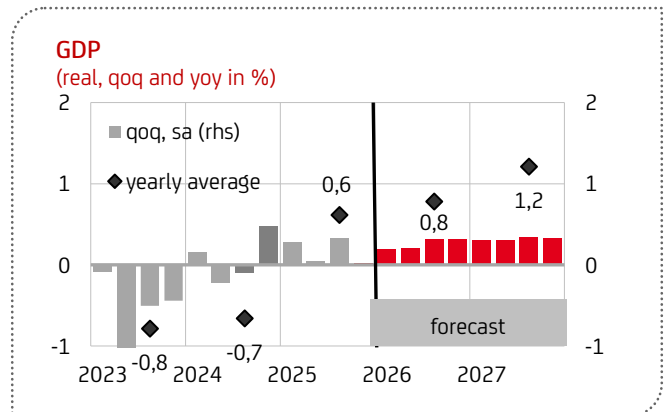
|                           | 2024  | 2025  | Forecast |       |
|---------------------------|-------|-------|----------|-------|
|                           |       |       | 2026     | 2027  |
| <i>(GDP, change in %)</i> |       |       |          |       |
| Eurozone                  | 0.9   | 1.5   | 0.8      | 1.1   |
| Germany                   | -0.5  | 0.2   | 0.9      | 1.6   |
| France                    | 1.2   | 0.9   | 0.9      | 1.0   |
| Italy                     | 0.7   | 0.7   | 0.5      | 0.6   |
| Spain                     | 3.2   | 2.8   | 2.2      | 1.6   |
| UK                        | 0.9   | 1.3   | 0.6      | 1.0   |
| USA                       | 2.8   | 2.2   | 2.3      | 2.0   |
| Japan                     | 0.2   | 1.0   | 0.8      | 0.8   |
| <i>(annual average)</i>   |       |       |          |       |
| USD per euro              | 1.08  | 1.13  | 1.17     | 1.20  |
| CHF per euro              | 0.95  | 0.94  | 0.92     | 0.95  |
| GBP per euro              | 0.85  | 0.86  | 0.88     | 0.92  |
| JPY per euro              | 163.8 | 169.0 | 182.9    | 178.4 |
| Oil (USD/barrel)          | 80    | 68    | 91       | 83    |
| 10y Gov. bond (A)         | 2.83  | 2.98  | 3.30     | 3.30  |
| 3m Euribor                | 3.57  | 2.18  | 2.32     | 2.17  |

Source: UniCredit Bank Austria

## Slight GDP increase in 2025, moderate acceleration in 2026/27

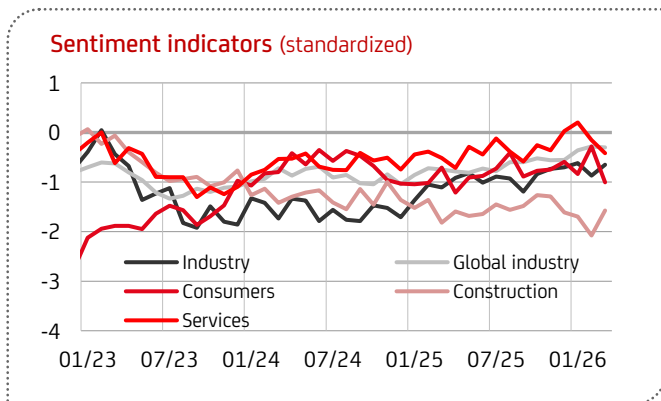


After two years of GDP declines, the Austrian economy began to recover slightly in 2025. According to current estimates, GDP rose by 0.6 percent in real terms.

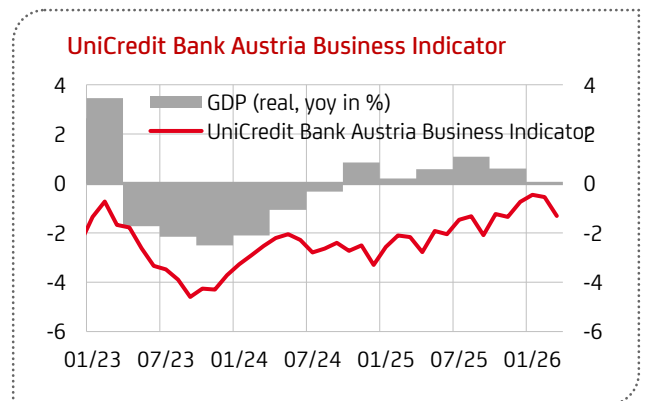


Higher inflation is weighing on consumption and dampening the pace of recovery without stopping the recovery entirely. We have lowered our growth forecast for 2026/27 by 1/4 percentage point since March.

## Sentiment in the Austrian economy fell in March



In March, economic sentiment in Austria deteriorated significantly, weighed down above all by rising pessimism among consumers.



The UniCredit Bank Austria Business Indicator fell significantly in March to minus 1.3 points, the lowest value in four months.

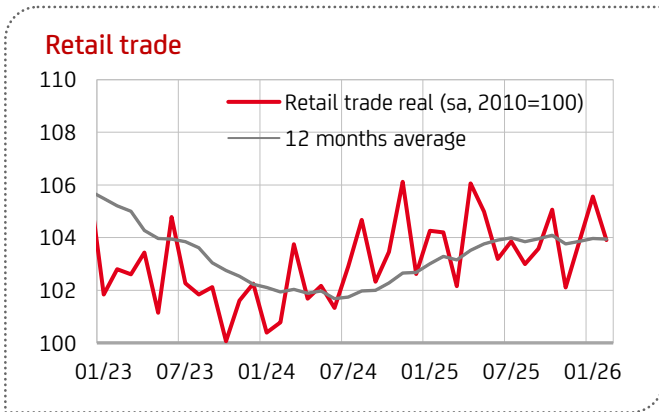
## Economic outlook

|   | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Forecast |      |
|---|------|------|------|------|------|------|------|------|----------|------|
| <b>GDP</b> (real, yoy in %)                                       | 2.5  | 1.8  | -6.3 | 4.9  | 5.3  | -0.8 | -0.7 | 0.6  | 0.8      | 1.2  |
| Industrial output (real, yoy in %)                                | 4.2  | 0.0  | -7.1 | 11.0 | 5.9  | -1.7 | -4.9 | 3.2  | 1.5      | 2.5  |
| Private consumption (real, yoy in %)                              | 0.8  | 0.7  | -7.6 | 4.9  | 5.4  | -0.2 | 1.0  | 0.5  | 0.5      | 1.1  |
| Investments (real, yoy in %) <sup>*)</sup>                        | 4.4  | 4.3  | -5.3 | 6.0  | -0.3 | -1.3 | -4.1 | 1.7  | 0.5      | 1.7  |
| <b>Inflation rate</b> (change against prev. year in %)            | 2.0  | 1.5  | 1.4  | 2.8  | 8.6  | 7.8  | 2.9  | 3.6  | 3.0      | 2.6  |
| <b>Unemployment rate</b> (national definition)                    | 7.7  | 7.4  | 9.9  | 8.0  | 6.3  | 6.4  | 7.0  | 7.4  | 7.4      | 7.3  |
| <b>Employment</b> (change against prev. year in %) <sup>**)</sup> | 2.5  | 1.6  | -2.0 | 2.5  | 3.0  | 1.2  | 0.2  | 0.2  | 0.3      | 0.2  |
| <b>Public-sector balance</b> (in % of GDP)                        | 0.2  | 0.5  | -8.2 | -5.7 | -3.4 | -2.6 | -4.6 | -4.2 | -3.9     | -3.2 |
| <b>Total public debt</b> (in % of GDP)                            | 74.6 | 71.0 | 83.2 | 82.4 | 78.1 | 77.8 | 80.0 | 81.5 | 82.4     | 82.5 |

\*) Gross fixed capital formation \*\*) excl. maternity/paternity leave, military service and training programmes

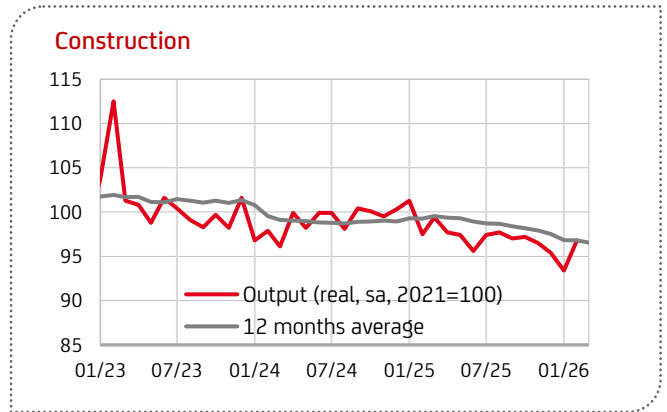
Source: UniCredit Bank Austria

## Momentum in retail sales slows down



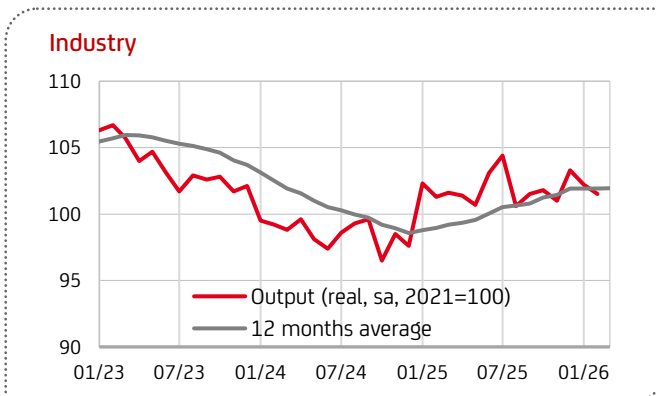
After the 0.8 percent increase in real sales in 2025, the upward trend slowed at the beginning of the year. In the first two months, sales rose by 0.3 percent in real terms compared to the previous year.

## Downward trend in construction accelerated

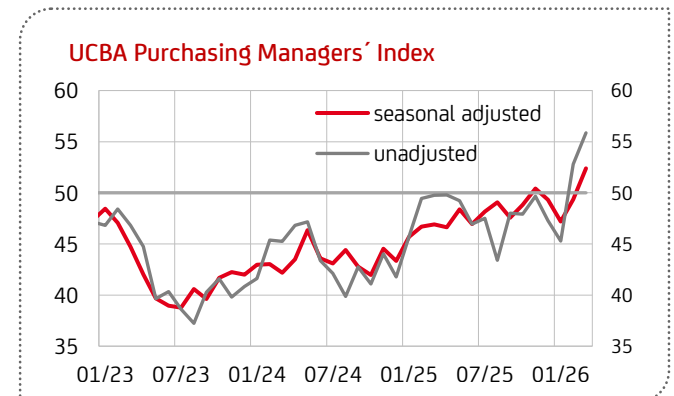


According to preliminary figures, construction output fell by an average of 1.4 percent in 2025 (in real terms, adjusted for the number of working days), with a significant acceleration of the negative trend at the beginning of 2026.

## Industry recovery makes small progress

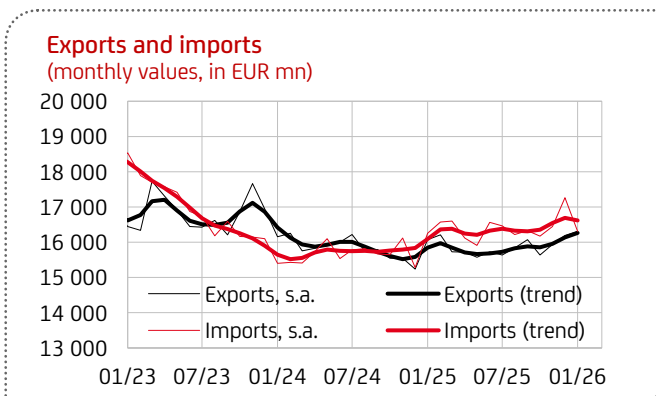


Industrial production (manufacture of goods, in real terms, adjusted for working days) rose by around 3 percent in 2025. In the first two months, however, the production of goods stagnated year-on-year.

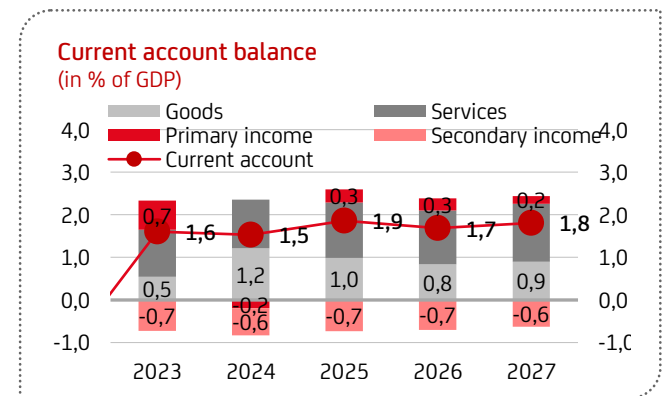


In March, the UniCredit Bank Austria Purchasing Managers' Index rose to 52.4 points, supported by an improvement in new business and production output.

## Exports continue to decline, current account surplus will decrease



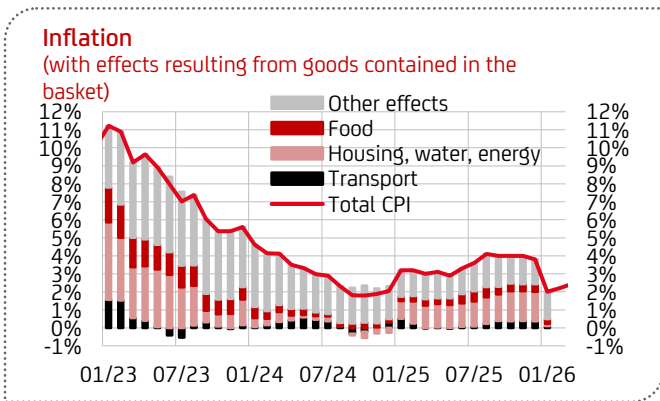
At the beginning of 2026, merchandise exports fell by 2.2 percent year-on-year, while imports fell by as much as 3 percent. The trade deficit fell to 66.7 million euros.



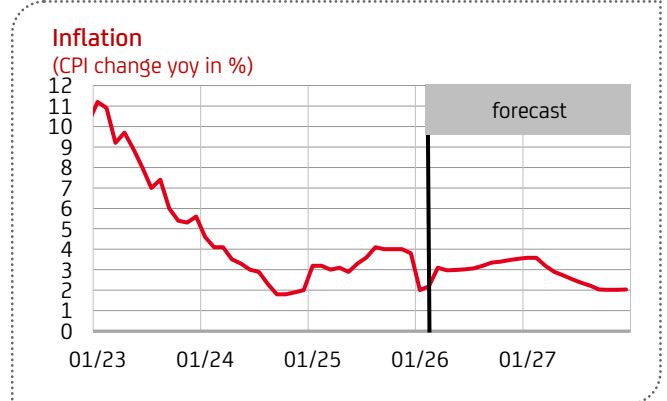
The current account balance improved in 2025 despite a lower trade balance surplus thanks to the higher increase in services trade. For 2026, we expect a slight deterioration in the current account balance

Sources: Statistik Austria, OeNB, Macrobond, UniCredit Bank Austria

## Inflation rose to 3.1 percent year-on-year in March 2026

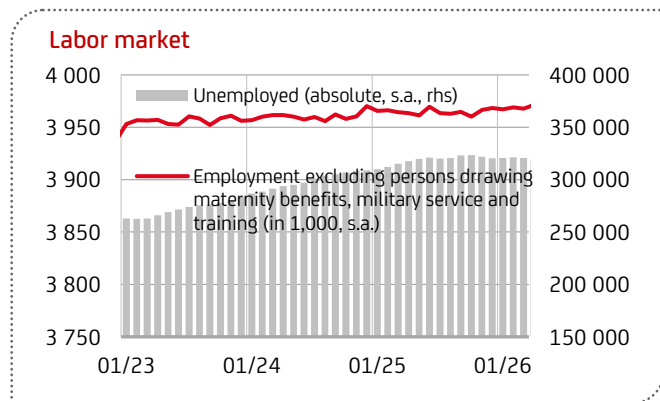


Inflation is expected to be 3.1 percent year-on-year in March. The rise in oil prices and as a result of fuel prices has caused inflation to accelerate again.

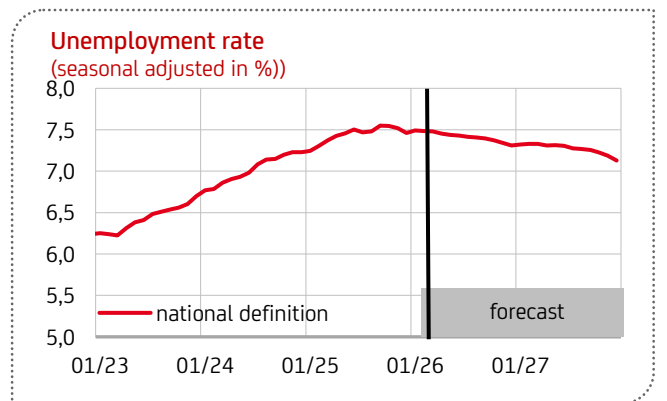


After the sharp decline in inflation at the beginning of 2026, higher values are expected in the coming months as a result of the Iran war. We expect average inflation of 3.0 percent for 2026.

## Trend reversal on the labor market postponed due to uncertainty due to the Iran war

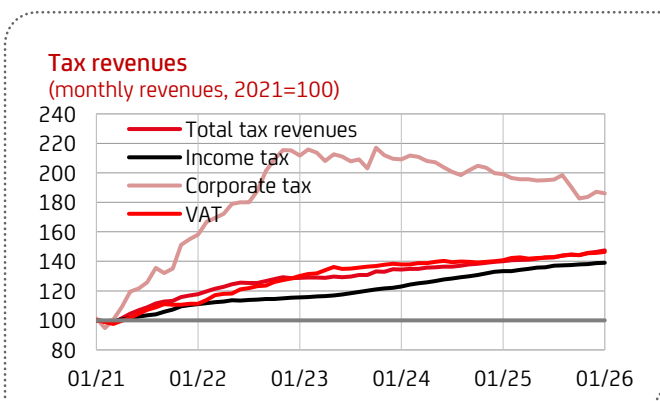


The seasonally adjusted unemployment rate remained at 7.5 percent in March. The trend of improvement has stopped for the time being in view of the geopolitical challenges.

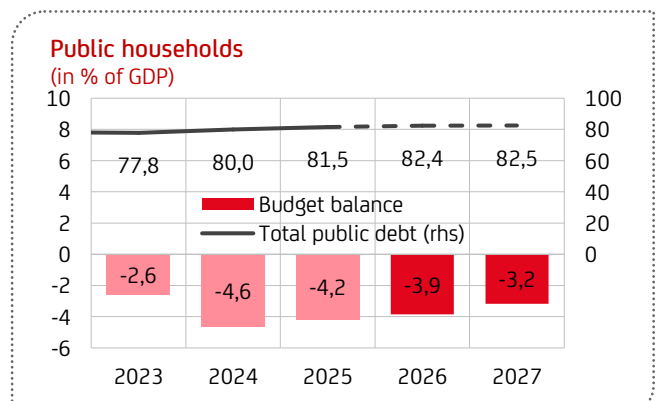


After an average of 7.4 percent in 2025, we expect an unemployment rate of 7.4 percent again in 2026. It should not fall to 7.3 percent until 2027, supported by the slower increase in labor supply.

## Austerity package had an effect: Budget deficit in 2025 smaller than planned



2025, revenues rose by 5.4 percent to 107.1 billion euros. Expenditures in the federal budget rose by 0.7 percent to 121.5 billion euros. The net financial balance fell to -14.4 billion euros.



According to the first official estimate, the general government deficit was slightly lower than planned at 4.2 percent of GDP. The consolidation path will continue, but the total debt ratio as a percentage of GDP will continue to rise.

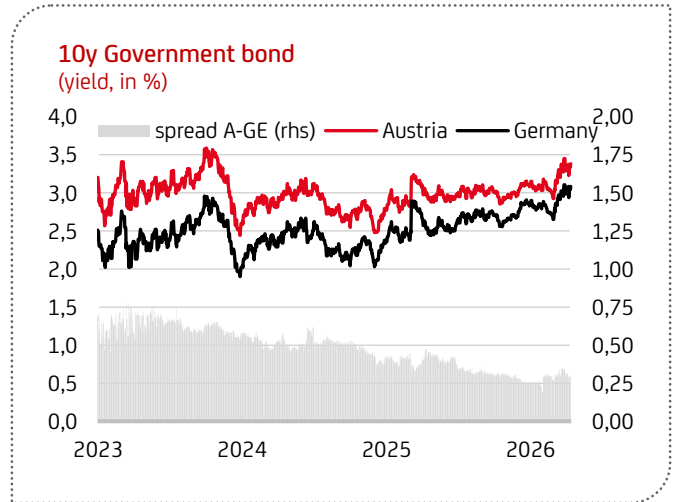
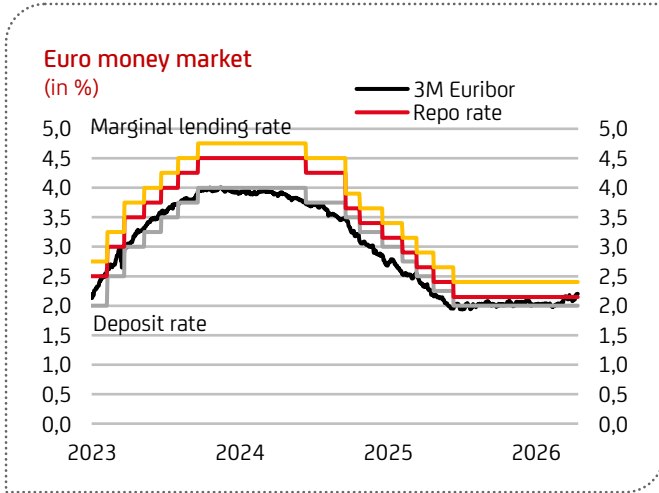
Sources: Statistik Austria, OeNB, UniCredit Bank Austria

|   | 2023  | 2024  | 2025  | II 25 | III 25 | IV 25 | I 26  | 10/25 | 11/25 | 12/25 | 01/26 | 02/26 | 03/26 |
|---|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>UniCredit Bank Austria Business Indicator</b>                          | -3.0  | -2.6  | -1.8  | -2.3  | -1.6   | -1.1  | -0.8  | -1.2  | -1.4  | -0.7  | -0.5  | -0.6  | -1.3  |
| GDP growth (qoq, annualized)  | -0.8  | -0.7  | 0.6   | 0.2   | 1.3    | 0.1   |       |       |       |       |       |       |       |
| <b>Confidence Indicator eurozone manufacturing</b>                        | -6    | -11   | -10   | -11   | -10    | -9    | -7    | -8    | -9    | -9    | -7    | -7    | -7    |
| Germany   | -8    | -20   | -20   | -11   | -11    | -10   | -8    | -18   | -19   | -21   | -17   | -15   | -15   |
| France  | -8    | -8    | -9    | -10   | -11    | -8    | -5    | -7    | -9    | -9    | -1    | -6    | -9    |
| Italy   | -4    | -8    | -8    | -8    | -7     | -6    | -6    | -7    | -6    | -7    | -6    | -6    | -6    |
| Netherlands   | -2    | -3    | -2    | -3    | -3     | -2    | 0     | -2    | -2    | -1    | 1     | -1    | 0     |
| Spain   | -7    | -5    | -5    | -5    | -5     | -4    | -3    | -5    | -4    | -4    | -3    | -2    | -4    |
| <b>UniCredit Bank Austria Eurozone Confidence Indicator Manufacturing</b> | -7    | -14   | -14   | -14   | -14    | -13   | -11   | -13   | -13   | -14   | -11   | -11   | -10   |
| <b>UniCredit Bank Austria Purchasing Managers' Index (PMI)</b>            | 42.1  | 43.5  | 47.9  | 47.3  | 48.3   | 49.5  | 49.7  | 48.8  | 50.4  | 49.3  | 47.2  | 49.4  | 52.4  |
| New orders  | 37    | 43    | 47    | 45.1  | 46.7   | 49.0  | 49.4  | 49    | 51    | 47    | 46    | 50    | 52    |
| New export orders   | 38    | 42    | 47    | 44.9  | 46.5   | 48.9  | 48.4  | 49    | 51    | 46    | 46    | 48    | 51    |
| Output  | 44    | 44    | 50    | 49.4  | 50.9   | 51.2  | 49.7  | 51    | 53    | 50    | 47    | 50    | 52    |
| <b>Confidence indicator Austria manufacturing, total</b>                  | -13.2 | -19.7 | -15.3 | -14.6 | -16.0  | -13.5 | -13.2 | -14.3 | -13.2 | -12.9 | -12.0 | -15.0 | -12.5 |
| <b>Industrial production</b>  |       |       |       |       |        |       |       |       |       |       |       |       |       |
| Change against previous year (in %)                                       | -2.1  | -4.3  | 3.0   | 3.5   | 3.1    | 4.5   |       | 5.4   | 2.4   | 5.8   | 0.0   | 0.2   |       |
| Change against previous month (seasonally adjusted, in %)                 |       |       |       |       |        |       |       | 0.1   | -0.8  | 2.8   | -2.3  | 0.2   |       |
| <b>Foreign trade</b>  |       |       |       |       |        |       |       |       |       |       |       |       |       |
| Exports (yoy change in %)   | 3.1   | -4.8  | -0.5  | -1.5  | -0.3   | 3.1   |       | 0.5   | 2.5   | 6.2   | -2.2  |       |       |
| Exports (mom change, s.a. in %, 3-MMAV)                                   |       |       |       |       |        |       |       | -2.7  | 1.9   | 1.6   | 0.7   |       |       |
| Imports (yoy in %)  | -5.8  | -6.8  | 4.1   | 2.5   | 3.8    | 6.1   |       | 3.3   | 2.0   | 13.1  | -3.0  |       |       |
| Imports (mom, s.a. in %, 3-MMAV)  |       |       |       |       |        |       |       | -1.0  | 1.7   | 5.0   | -5.5  |       |       |
| Ex-Im (12 months cumulated, EUR billion)                                  | -2.0  | 2.2   | -6.6  | 5.2   | 2.9    | 2.2   |       | -5.7  | -5.6  | -6.6  | -6.4  |       |       |
| <b>Construction</b>   |       |       |       |       |        |       |       |       |       |       |       |       |       |
| Confidence indicator  | -6.5  | -14.2 | -17.3 | -18.7 | -17.0  | -15.7 | -21.6 | -14.1 | -14.4 | -18.7 | -20.1 | -25.5 | -19.2 |
| <b>Retail trade</b>   |       |       |       |       |        |       |       |       |       |       |       |       |       |
| Confidence indicator  | -24.0 | -16.2 | -4.9  | -19.3 | -16.6  | -17.1 | -17.4 | -17.7 | -17.5 | -16.1 | -18.5 | -13.3 | -20.3 |
| Retail trade nom. (change against previous year in %)                     | 2.9   | 2.8   | 2.9   | 5.0   | 2.9    | 1.9   |       | 4.1   | -2.0  | 3.5   | 2.4   | 1.2   |       |
| Retail trade nom. (change against previous year in %, 3mav.)              |       |       |       |       |        |       |       | 3.1   | 2.1   | 1.9   | 1.3   | 2.3   |       |
| Retail trade real (change against previous year in %)                     | -3.5  | 0.9   | 0.8   | 3.1   | 0.1    | -0.3  |       | 1.8   | -4.1  | 1.2   | 0.9   | -0.3  |       |
| Retail trade real (chg. against prev. month in %, s.a., 3mav.)            |       |       |       |       |        |       |       | 0.4   | -0.2  | -0.4  | -0.7  | 0.6   |       |
| Automobile trade nom. (change against prev. year in %)                    | 11.8  | 2.4   | 6.3   | 5.2   | 13.0   | 5.7   |       | 6.5   | 4.7   | 5.9   | -3.5  |       |       |
| <b>Tourism</b>  |       |       |       |       |        |       |       |       |       |       |       |       |       |
| Overnight stay (change against previous year in %)                        | 11.3  | 2.0   | 3.4   | 10.1  | 2.6    | 5.3   |       | 1.9   | 4.0   | 10.0  | 2.9   | 5.5   |       |
| <b>Labor market</b>   |       |       |       |       |        |       |       |       |       |       |       |       |       |
| Employment*) (change against previous year in %)                          | 1.2   | 0.2   | 0.2   | 0.2   | 0.2    | 0.2   | 0.2   | 0.1   | 0.2   | 0.2   | 0.1   | 0.2   | 0.3   |
| Employment (s.a., change against previous month in %)                     |       |       |       |       |        |       |       | -0.12 | 0.16  | 0.05  | -0.03 | 0.04  | -0.03 |
| Unemployed (change against previous year in '000)                         | 7.7   | 27.1  | 19.7  | 24.0  | 16.1   | 14.4  | 10.2  | 17.2  | 16.0  | 10.1  | 14.0  | 10.1  | 6.4   |
| Unemployment rate (in %, s.a.)  | 6.4   | 7.0   | 7.4   | 7.5   | 7.5    | 7.5   | 7.5   | 7.5   | 7.5   | 7.5   | 7.5   | 7.5   | 7.5   |
| <b>Prices</b>   |       |       |       |       |        |       |       |       |       |       |       |       |       |
| CPI (change against previous year in %)                                   | 7.8   | 2.9   | 3.6   | 3.1   | 3.9    | 3.9   | 2.4   | 4.0   | 4.0   | 3.8   | 2.0   | 2.2   | 3.1   |
| HCPI (change against previous year in %)                                  | 7.7   | 2.9   | 3.6   | 3.2   | 3.9    | 4.0   | 2.5   | 4.0   | 4.0   | 3.9   | 2.0   | 2.3   | 3.1   |
| Crude oil (in USD per barrel)   | 81.6  | 79.7  | 68.0  | 66.5  | 67.9   | 62.9  | 77.4  | 63.8  | 63.5  | 61.6  | 64.3  | 69.4  | 98.6  |
| Crude oil (in EUR, change against previous year in %)                     | -15.5 | -2.4  | -17.7 | -25.5 | -18.3  | -21.8 | -5.4  | -20.7 | -20.2 | -24.6 | -27.0 | -18.4 | 29.2  |
| <b>Financial market</b>   |       |       |       |       |        |       |       |       |       |       |       |       |       |
| 3M Euribor  | 3.43  | 3.57  | 2.18  | 2.11  | 2.01   | 2.04  | 2.05  | 2.03  | 2.04  | 2.05  | 2.03  | 2.01  | 2.11  |
| 10-year government bonds (yield in %)                                     | 3.08  | 2.83  | 2.98  | 2.96  | 3.02   | 3.00  | 3.13  | 2.94  | 2.97  | 3.09  | 3.08  | 3.06  | 3.25  |
| USD per euro  | 1.08  | 1.08  | 1.13  | 1.13  | 1.17   | 1.16  | 1.17  | 1.16  | 1.16  | 1.17  | 1.17  | 1.18  | 1.16  |
| Total loans (change against previous year in %, eop)                      | 0.7   | 0.7   | 1.8   | 1.2   | 1.6    | 1.8   |       | 1.5   | 1.3   | 1.8   | 1.8   |       |       |
| Consumption loans (change against prev. year in %, eop)                   | -1.9  | -0.9  | 1.0   | 0.1   | 0.6    | 1.0   |       | 0.9   | 1.0   | 1.0   | 1.4   |       |       |

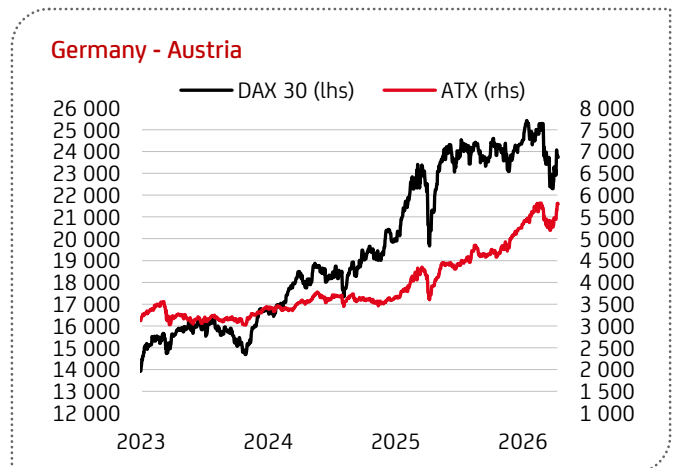
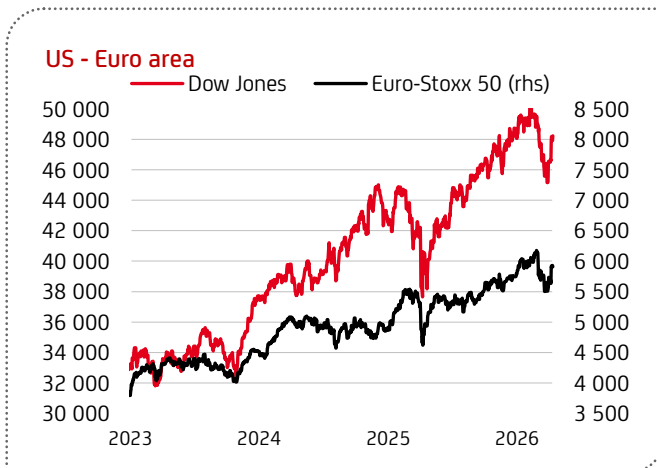
\*) excl. maternity/paternity leave, military service and training programs

Sources: Statistik Austria, OeNB, UniCredit Bank Austria

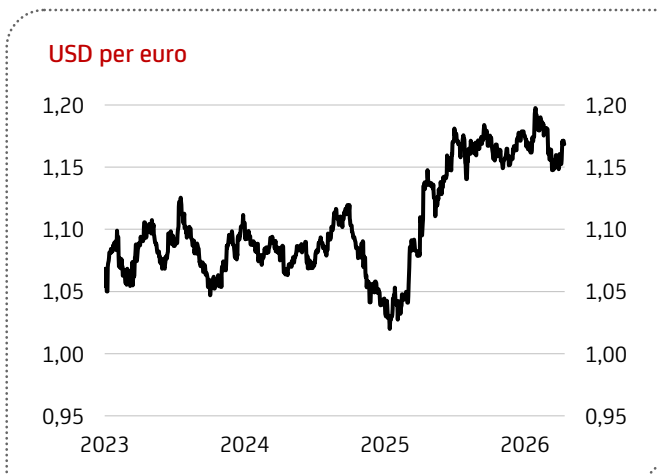
## Money market and long-term interest



## Stock markets



## FX trends



Sources: Macrobond, UniCredit Bank Austria

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UniCredit Bank Austria AG

1020 Vienna, Rothschildplatz 1

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