



# **Austria Up-to-date**

**September 2025**

# Overview

## STILL WEAK ECONOMY, BUT HIGH INFLATION

	2023	2024	2025	Rev. <sup>1)</sup>	2026	Rev. <sup>1)</sup>
GDP (real, change in %)	-1.0	-1.0	0.1		1.1	
Inflation (CPI, in %)	7.8	2.9	3.5	↗	2.4	↗
Unemployment rate (in %)	6.4	7.0	7.5		7.4	↘

1) Revision since last report

- Low GDP growth in 2025 is becoming increasingly likely**

Following the revision of the national accounts data for 2024 and the new estimates for the first half of 2025, a slight increase in GDP is becoming increasingly likely after two years of decline. We continue to expect an increase of 0.1 percent in 2025 as a whole, which is now better hedged on the downside. In the first half of the year, GDP fell short of the previous year's figure by 0.3 percent. The continuing improvement in economic sentiment, which is also reflected in an increase in the UniCredit Bank Austria Business Indicator, suggests that the domestic economy will have a slight tailwind in the coming months. Domestic demand will continue to be the supporting force, while the export industry is likely to dampen economic development due to US tariff measures.

Under the more favorable conditions for domestic demand, we continue to expect economic growth of 1.1 percent for 2026.
- Unemployment rate likely to fall slightly in 2026**

In view of the ongoing economic challenges, a further deterioration of the situation on the labor market is to be expected in the next few months. Due to the special burdens on the export industry due to US tariff policy, the reduction of employees in industry is expected to accelerate and will not be compensated for by additional jobs in the service sector. In August, the seasonally adjusted unemployment rate remained at 7.5 percent. Unemployment in Austria will be burdened by the development in the domestic export-oriented industry. We assume an average unemployment rate of 7.5 percent for 2025. However, the deterioration of the situation on the domestic labor market is slowing down and, supported by demographic effects, we expect the unemployment rate to fall slightly to 7.4 per cent in 2026 despite only moderate economic growth.
- Budget deficit will exceed 4% of GDP in 2025 again**

According to calculations by Statistics Austria, the overall budget deficit in 2024 was 4.7 percent of GDP. In order to reduce the budget deficit in 2025, an austerity package of 6.4 billion euros or 1.3 percent of GDP was put together. However, the scope of this package of measures will only allow for a small reduction in view of the weak economy and the poor numbers from 2024. According to the official budget estimate, we now expect a budget deficit of 4.5 percent of GDP for 2025.

- Slight decline in inflation in 2H 2025 expected**

In August, inflation rose to 4.1 percent, according to a flash estimate by Statistics Austria. This means that inflation in the first eight months of 2025 amounted to an average of 3.3 percent. In addition to the abolition of the electricity price brake at the beginning of the year, the high dynamics of service prices and food prices caused the increase. We expect inflation to gradually slow down in the coming months. The reduction in service inflation and the decline in energy prices will contribute to this. Due to the surprisingly strong increase to date and an expected very modest decline in the coming months, partly due to fee increases, we have adjusted our inflation forecast for 2025 to 3.5 percent. For 2026, we expect only a moderate decline to 2.4 percent.
- End of the euro area rat cut cycle?**

Inflation in the euro area is just around the target of 2 percent, wage growth is weakening and the economy has so far weathered the burden of US tariffs even better than expected. We therefore assume that the ECB will not make any further interest rate cuts for the time being. The deposit interest rate should be 2 percent by the end of 2026. However, the downside risks outweigh the risks.

### International Environment

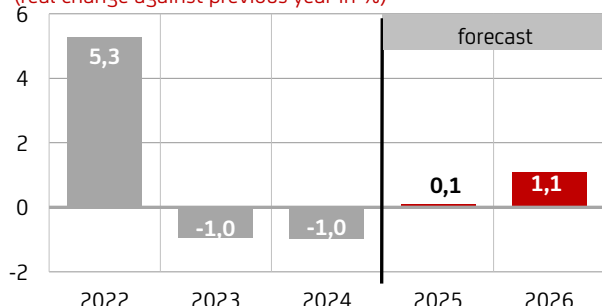
	2023	2024	Forecast	
			2025	2026
<i>(GDP, change in %)</i>				
Eurozone	0.7	0.9	1.1	0.9
Germany	-0.3	-0.2	0.1	1.3
France	0.9	1.1	0.6	1.0
Italy	0.7	0.5	0.5	0.8
Spain	2.7	3.2	2.6	1.9
UK	0.4	0.9	1.1	1.1
USA	2.9	2.8	1.5	1.9
Japan	1.5	0.2	0.9	0.7
	2021	2022	2023	2024
<i>(annual average)</i>				
USD per euro	1.18	1.05	1.08	1.08
CHF per euro	1.08	1.01	0.97	0.95
GBP per euro	0.86	0.85	0.87	0.85
JPY per euro	129.7	138.0	151.9	163.8
Oil (USD/barrel)	69	98	82	80
10y Gov. bond (A)	-0.27	1.61	3.08	2.83
3m Euribor	-0.55	0.34	3.43	3.57

Source: UniCredit Bank Austria

## The stabilization of the economy continued in the second quarter of 2025

### GDP

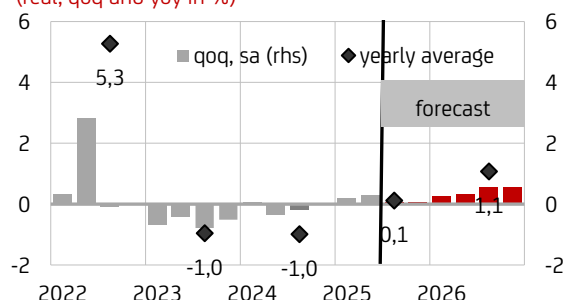
(real change against previous year in %)



According to the latest available estimate, GDP shrank by “only” 1.0 percent in 2024, after the Austrian economy had already fallen by 1 percent in 2023.

### GDP

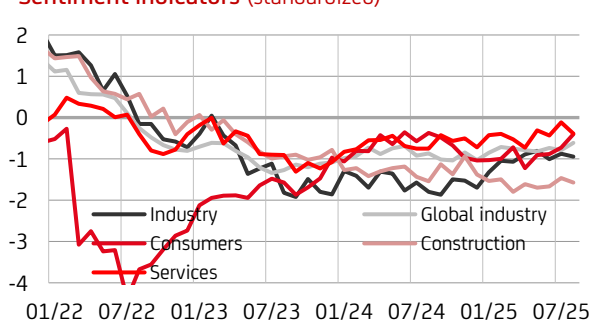
(real, qoq and yoy in %)



Lower inflation holds out the prospect of an improvement of the economy for 2025 by strengthening consumption, despite additional burdens from US tariff policy.

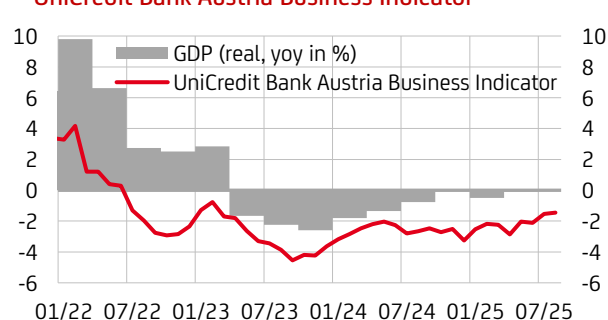
## Sentiment in the Austrian economy stabilized just below the long-term average

### Sentiment indicators (standardized)



In August, sentiment in the Austrian economy stabilized. However, there was a slight deterioration in the services sector.

### UniCredit Bank Austria Business Indicator



The UniCredit Bank Austria Business Indicator increased to minus 1.4 in August, the best result for 2.5 years.

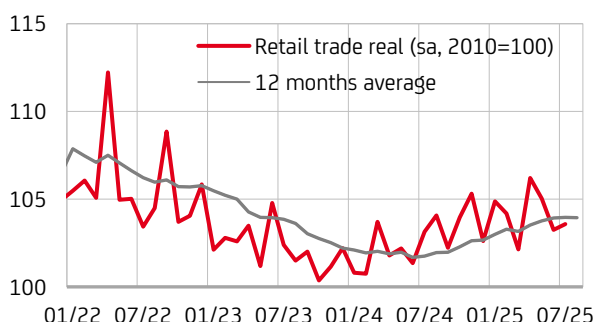
## Economic outlook

	2018	2019	2020	2021	2022	2023	2024	2025	2026
<i>Real change yoy in %</i>									
GDP	2.5	1.8	-6.3	4.8	5.3	-1.0	-1.0	0.1	1.1
Industrial production	4.2	0.0	-7.1	11.0	5.9	-1.7	-4.9	1.5	2.5
Private consumption	0.8	0.7	-7.6	4.8	4.9	-0.5	0.4	0.7	1.2
Gross fixed capital formation	4.4	4.3	-5.3	6.0	0.4	-3.2	-1.9	-0.2	1.5
Exports	5.2	4.0	-10.5	9.5	10.0	-0.4	-3.5	-1.1	1.2
Imports	5.1	2.4	-9.6	14.1	7.1	-4.6	-3.3	0.4	1.4
CPI change yoy in %	2.0	1.5	1.4	2.8	8.6	7.8	2.9	3.5	2.4
Unemployment rate (in %, nat. def.)	7.7	7.4	9.9	8.0	6.3	6.4	7.0	7.5	7.4
Unemployment rate (in %, Eurostat def.)	5.2	4.8	6.0	6.2	4.8	5.1	5.2	5.6	5.6
Current account balance (in % of GDP)	0.8	2.4	3.4	1.7	-0.9	1.3	2.4	1.8	1.2
General Government balance (in % of GDP)	0.2	0.5	-8.2	-5.7	-3.4	-2.6	-4.6	-4.5	-4.2
Public debt (in % of GDP)	74.6	71.0	83.2	82.4	78.4	78.5	81.4	83.3	84.7

Source: UniCredit Bank Austria

## Volatile upward trend in retail

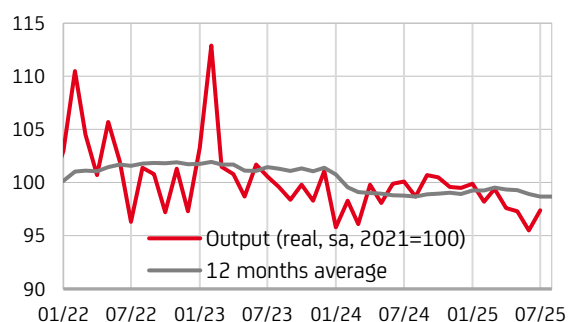
### Retail trade



The slight upward trend in retail sales slowed down at the beginning of 3Q. From January to July, turnover rose by 1.5 percent in real terms compared to the previous year.

## Construction on a downward trend again

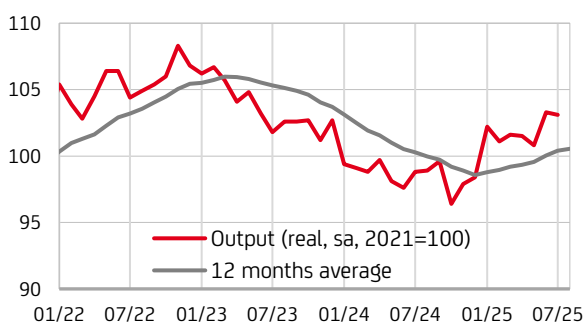
### Construction



Construction output fell by an average of 1.5 percent in 2024 (in real terms, wda). From January to July 2025, according to updated data, there was a further decline of 0.7 percent compared to the previous year.

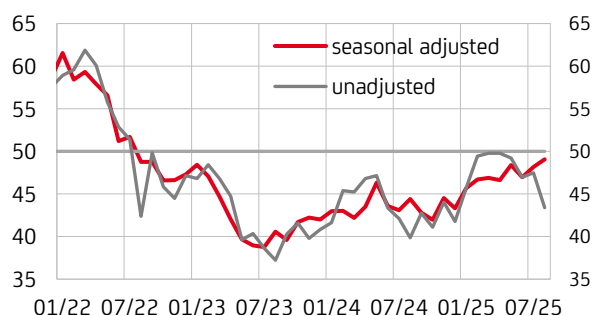
## Situation in industry improved since start of the year 2025

### Industry



After industrial production fell by an average of 4.7 percent in 2024 (in real terms, adjusted for working days), the first seven months of 2025 showed an increase of 3.2 percent year-on-year.

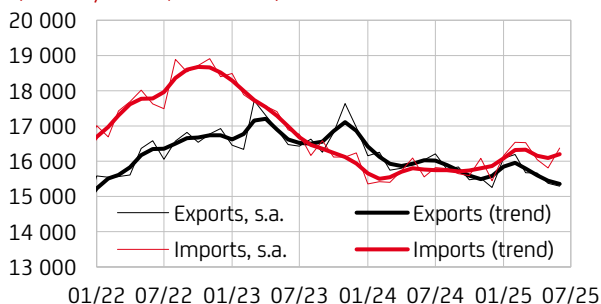
### UCBA Purchasing Managers' Index



In August, the UniCredit Bank Austria Purchasing Managers' Index increased to 49.1 points. Above all, the lack of new orders weighed on the index.

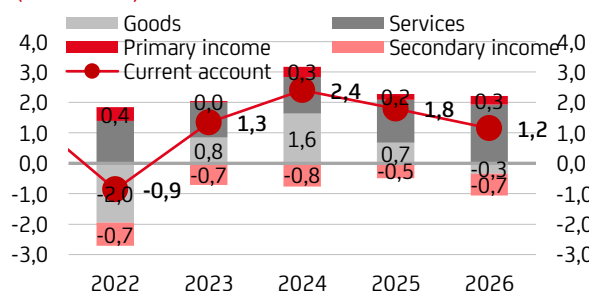
## Exports fall, current account surplus to decrease in 2025

### Exports and imports (monthly values, in EUR mn)



Exports fell by 3.1 percent in the first half of 2025, while imports rose by 2.9 percent year-on-year. The trade balance slipped into the red.

### Current account balance (in % of GDP)



Mainly due to a high surplus in the movement of goods, the current account balance rose to 2.4 percent of GDP in 2024. For 2025, we expect a reduction in the positive balance due to a worsening of the trade balance.

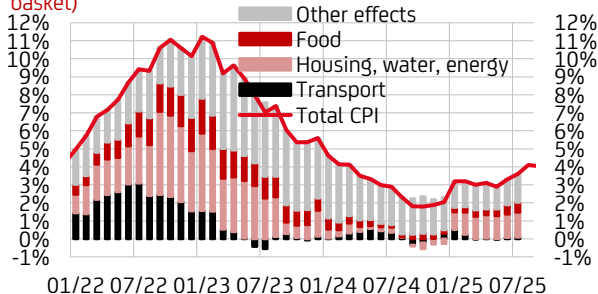
Sources: Statistik Austria, OeNB, Macrobond, UniCredit Bank Austria



## Inflation increased to 4.1% yoy in August 2025, according to flash estimate

### Inflation

(with effects resulting from goods contained in the basket)



Inflation rose to 4.1 percent year-on-year in August, mainly due to the upward pressure on service and food prices.

### Inflation

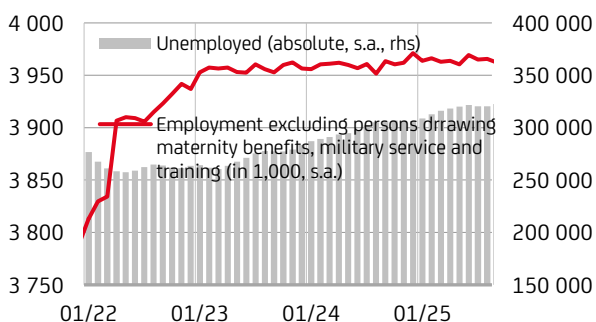
(CPI change yoy in %)



After the increase in the first eight months of 2025 to 3.3 percent on average, inflation will slowly ease again over the course of the year, supported by a slowdown in the second-round effects in the service sector.

## Stress on the labor market will slow

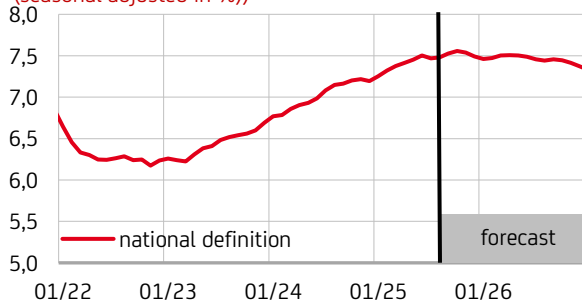
### Labor market



The seasonally adjusted unemployment rate was 7.6 percent in July. The upward trend will continue, caused above all by developments in industry.

### Unemployment rate

(seasonal adjusted in %)

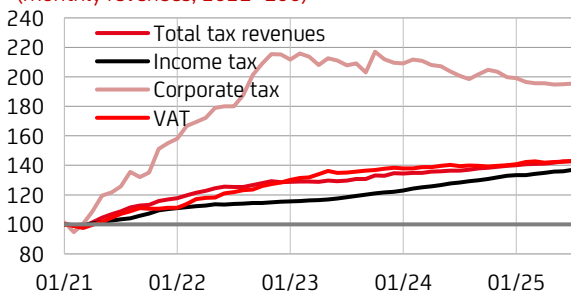


After an unemployment rate of 7.0 percent on average in 2024, we expect an increase to 7.5 percent in 2025, which should stabilize at this level in 2026.

## Austerity package will only slightly reduce budget deficit in 2025: total debt will rise noticeably

### Tax revenues

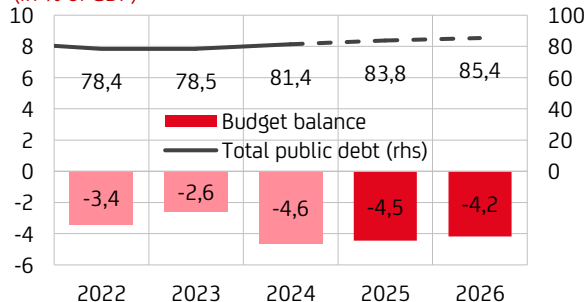
(monthly revenues, 2021=100)



In the first seven months of 2025, revenues rose by 1.9 percent to 53.8 billion euros. Expenditures in the federal budget rose by 2.0 percent to 69.8 billion euros. The negative net financing balance rose to EUR -16.1 billion.

### Public households

(in % of GDP)



For 2025, too, we now expect a general government budget deficit of over 4 percent of GDP. As a result, the total debt ratio as a percentage of GDP will continue to rise noticeably.

Sources: Statistik Austria, OeNB, UniCredit Bank Austria

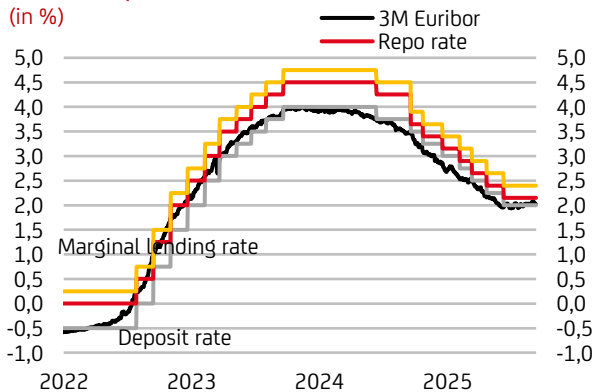
	2022	2023	2024	III 24	IV 24	I 25	II 25	03/25	04/25	05/25	06/25	07/25	08/25
<b>UniCredit Bank Austria Business Indicator</b>	<b>-0.3</b>	<b>-3.0</b>	<b>-2.6</b>	<b>-2.6</b>	<b>-2.8</b>	<b>-2.3</b>	<b>-2.3</b>	<b>-2.3</b>	<b>-2.9</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-1.6</b>	<b>-1.4</b>
GDP growth (qoq, annualized)	5.3	-1.0	-1.0	-0.7	0.1	0.8	1.1						
<b>Confidence Indicator eurozone manufacturing</b>	<b>5</b>	<b>-6</b>	<b>-11</b>	<b>-11</b>	<b>-13</b>	<b>-11</b>	<b>-11</b>	<b>-11</b>	<b>-11</b>	<b>-10</b>	<b>-12</b>	<b>-11</b>	<b>-10</b>
Germany	12	-8	-20	-11	-14	-12	-11	-21	-20	-18	-21	-18	-20
France	-2	-8	-8	-7	-12	-9	-10	-9	-7	-11	-13	-12	-11
Italy	2	-4	-8	-8	-9	-8	-8	-8	-9	-8	-8	-7	-8
Netherlands	4	-2	-3	-2	-3	-1	-4	-1	-3	-3	-4	-5	-3
Spain	-1	-7	-5	-3	-6	-5	-5	-6	-4	-5	-6	-5	-6
<b>UniCredit Bank Austria Eurozone Confidence Indicator Manufacturing</b>	<b>6</b>	<b>-7</b>	<b>-14</b>	<b>-14</b>	<b>-17</b>	<b>-16</b>	<b>-14</b>	<b>-15</b>	<b>-14</b>	<b>-13</b>	<b>-15</b>	<b>-13</b>	<b>-14</b>
<b>UniCredit Bank Austria Purchasing Managers' Index (PMI)</b>	<b>52.9</b>	<b>42.1</b>	<b>43.5</b>	<b>43.4</b>	<b>43.3</b>	<b>46.4</b>	<b>47.3</b>	<b>46.9</b>	<b>46.6</b>	<b>48.4</b>	<b>47.0</b>	<b>48.2</b>	<b>49.1</b>
New orders	45	37	43	42.6	43.0	47.5	45.1	47	44	47	44	46	48
New export orders	45	38	42	41.1	41.1	45.8	44.9	45	44	46	45	46	47
Output	50	44	44	44.1	43.3	47.7	49.4	48	49	50	49	50	52
<b>Confidence indicator Austria manufacturing, total</b>	<b>2.2</b>	<b>-13.2</b>	<b>-19.7</b>	<b>-22.0</b>	<b>-21.1</b>	<b>-17.0</b>	<b>-14.5</b>	<b>-16.3</b>	<b>-14.3</b>	<b>-13.3</b>	<b>-15.8</b>	<b>-14.4</b>	<b>-15.2</b>
<b>Industrial production</b>													
Change against previous year (in %)	5.9	-1.7	-4.9	-3.1	-4.6	2.6	3.4	2.9	1.8	2.1	2.1	2.9	
Change against previous month (seasonally adjusted, in %)								0.3	-0.1	0.1	0.1	0.3	
<b>Foreign trade</b>													
Exports (yoy change in %)	17.6	3.1	-4.8	-1.6	-6.4	-3.2	-3.0	-0.4	-0.9	0.2	-8.2		
Exports (mom change, s.a. in %, 3-MMAV)								-3.2	-0.1	-1.8	-0.6		
Imports (yoy in %)	20.6	-5.8	-6.8	-3.4	0.5	3.9	1.8	7.5	2.0	1.5	1.8		
Imports (mom, s.a. in %, 3-MMAV)								-0.1	-2.9	-1.5	3.5		
Ex-Im (12 months cumulated, EUR billion)	40.0	-2.0	2.2	5.8	5.4	5.9	5.2	-1.2	-1.7	-1.9	-3.5		
<b>Construction</b>													
Confidence indicator	9.0	-6.5	-14.2	-15.3	-13.2	-18.1	-18.8	-20.6	-18.2	-19.3	-18.9	-16.5	-18.0
<b>Retail trade</b>													
Confidence indicator	-11.0	-23.9	-16.2	-13.7	-17.7	-18.2	-19.4	-16.5	-21.3	-18.5	-18.4	-17.0	-14.0
Retail trade nom. (change against previous year in %)	8.2	2.9	2.8	2.6	4.4	1.8	5.0	-0.1	6.5	5.5	3.1	3.0	
Retail trade nom. (change against previous year in %, 3mav.)								1.9	2.4	4.0	5.0	3.8	
Retail trade real (change against previous year in %)	-0.8	-3.5	0.9	1.4	3.3	0.2	3.1	-1.9	4.8	3.6	1.0	0.3	
Retail trade real (chg. against prev. month in %, s.a., 3mav.)								-0.1	0.5	0.3	0.4	-0.8	
Automobile trade nom. (change against prev. year in %)	-0.5	11.8	2.4	-1.1	2.9	1.4	5.2	5.0	4.4	9.0	2.3		
<b>Tourism</b>													
Overnight stay (change against previous year in %)	392.1	11.3	2.0	-1.2	7.6	-4.2	10.1	-8.9	26.0	-10.2	14.6	-1.3	
<b>Labor market</b>													
Employment*) (change against previous year in %)	3.0	1.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.0	0.5	0.2	0.3
Employment (s.a., change against previous month in %)								-0.08	0.02	-0.08	0.22	-0.10	0.01
Unemployed (change against previous year in '000)	-68.6	7.7	27.1	26.3	27.1	24.2	24.0	24.9	24.3	23.1	24.5	15.0	14.0
Unemployment rate (in %, s.a.)	6.3	6.4	7.0	7.1	7.2	7.3	7.5	7.4	7.4	7.5	7.5	7.5	7.5
<b>Prices</b>													
CPI (change against previous year in %)	8.6	7.8	2.9	2.3	1.9	3.1	3.1	3.0	3.1	2.9	3.3	3.6	4.1
HCPI (change against previous year in %)	8.6	7.7	2.9	2.4	1.9	3.3	3.2	3.1	3.3	3.0	3.2	3.7	4.1
Crude oil (in USD per barrel)	98.4	81.6	79.7	78.5	73.8	74.7	66.5	71.4	66.0	63.8	69.7	69.4	67.1
Crude oil (in EUR, change against previous year in %)	62.2	-15.5	-2.4	-8.4	-9.4	-5.3	-25.5	-14.9	-28.8	-26.3	-21.3	-23.1	-19.4
<b>Financial market</b>													
3M Euribor	0.34	3.43	3.57	3.56	3.00	2.56	2.11	2.44	2.24	2.09	1.98	1.99	2.02
10-year government bonds (yield in %)	1.61	3.08	2.83	2.81	2.71	2.96	2.96	3.12	2.96	2.97	2.94	3.02	3.03
USD per euro	1.05	1.08	1.08	1.10	1.07	1.05	1.13	1.08	1.12	1.13	1.15	1.17	1.16
Total loans (change against previous year in %, eop)	5.0	0.7	0.7	0.6	0.7	0.6	1.2	0.6	1.2	1.2	1.2	1.5	
Consumption loans (change against prev. year in %, eop)	3.6	-1.9	-0.9	-1.0	-0.9	-0.9	0.1	-0.3	-0.1	0.0	0.1	0.2	

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

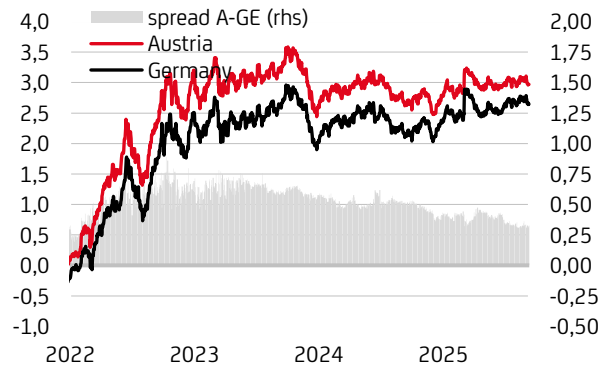
Sources: Statistik Austria, OeNB, UniCredit Bank Austria

## Money market and long-term interest

**Euro money market**  
(in %)

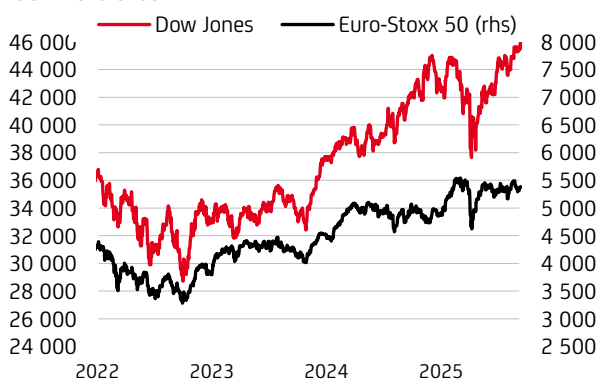


**10y Government bond**  
(yield, in %)

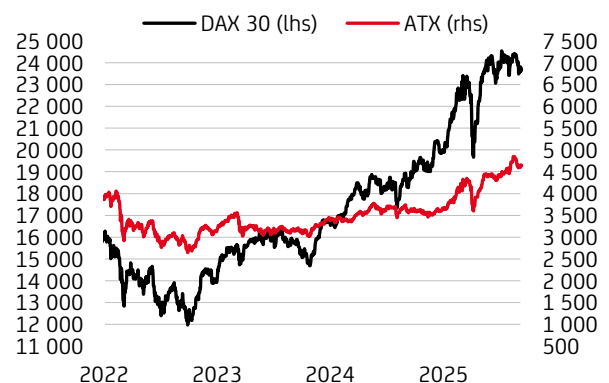


## Stock markets

**US - Euro area**



**Germany - Austria**



## FX trends

**USD per euro**



**CHF per euro**



Sources: Macrobond, UniCredit Bank Austria

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Business objective: credit institution pursuant to Section 1 (1) of the Austrian Banking Act (Bankwesengesetz)

Persons authorised to act on behalf of the media owner (Management Board): Ivan Vlaho, Daniela Barco, Hélène Buffin, Dieter Hengl, Emilio Manca, Marion Morales Albiñana-Rosner, Svetlana Pancenko, Wolfgang Schilk.

Supervisory Board of the media owner: Gianfranco Bisagni, Aurelio Maccario, Livia Aliberti Amidani, Christoph Bures, Richard Burton, Tamara Haas, Judith Maro, Herbert Pichler, Eveline Steinberger, Doris Tomanek, Roman Zeller.

Interests held in the media owner pursuant to Section 25 of the Austrian Media Act:

UniCredit S.p.A. holds 99.996% of the shares in the media owner (key details of the shareholder structure of UniCredit S.p.A. are available at <https://www.unicreditgroup.eu/en/governance/shareholder-structure.html>).

“Betriebsratsfonds des Betriebsrats der Angestellten der UniCredit Bank Austria AG, Region Wien” (the Employees’ Council Fund of the Employees’ Council of employees of UniCredit Bank Austria AG in the Vienna area) and “Privatstiftung zur Verwaltung von Anteilsrechten” (a private foundation under Austrian law; founder: Anteilsverwaltung-Zentralsparkasse; beneficiary: WWTF – Wiener Wissenschafts-, Forschungs- und Technologiefonds) have a combined interest of 0.004% in the media owner.





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