

Austria Up-to-date

November 2026

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Bank Austria
Member of UniCredit

Overview

RECOVERY CONTINUES

	2024	2025	2026 Rev.[1)]	2027 Rev.[1)]
)P (real, change in %)	-0.7	0.8	0.8	1.2
lation (CPI, in %)	2.9	3.6	3.2	2.8
employment rate (in %)	7.0	7.4	7.6	7.4

Revision since last report

- **Moderate economic growth in the third quarter**

  After the slight dip in the second quarter, the first estimate for the third quarter by Wifo assumes a moderate increase in GDP of 0.2 percent compared to the previous quarter. Despite geopolitical tensions and high energy prices, there is a slight upturn in the Austrian economy, supported by an improved international environment. The sentiment indicators suggest that the moderate recovery will continue. We continue to expect economic growth of 0.8 percent for 2026. For 2027, assuming a gradual de-escalation of geopolitical tensions, we expect a slight acceleration of the economy and an increase in GDP of 1.2 percent for Austria.

- **Unemployment rate remained at 7.6 percent in October**

  Due to the unfavourable impact of the consequences of the Iran war on the economy, there has not been the originally expected easing of the labour market so far this year, but on the contrary there has even been a slight increase in the unemployment rate. In the meantime, the seasonally adjusted figure has stabilised at 7.6 per cent.

  In view of the general conditions, the labour market in Austria continues to be quite robust. After an average unemployment rate of 7.6 per cent in 2026, we expect a slight decline to 7.4 per cent in 2027, supported by slightly higher economic momentum and demographic effects.

- **Budget implementation for 2026 largely on schedule**

  The budget data available so far for the first nine months indicate that despite the difficult conditions, the budget for 2026 can be largely adhered to as planned. We continue to expect a budget deficit of 4.0 percent of GDP.

  For 2027, we expect only a slight reduction in the deficit to 3.8 percent of GDP. This means that the total debt level will increase further to 82.5 percent of GDP by the end of 2027.

- **Inflation remains at a high level for the time being**

  In view of the rise in energy prices, inflation in Austria remains at a high level. In October, inflation was again 3.6 percent year-on-year, according to a flash estimate by Statistics Austria. In the first ten months of the year, the average inflation rate was 3.1 percent. For the time being, we do not expect oil and gas prices to ease noticeably in the coming months, so inflation will remain at a high level. On average for 2026, we expect an inflation rate of 3.2 percent. If geopolitical tensions ease, a gradual easing of energy prices could prevail in 2027. Due to second-round effects and stronger upward pressure on food prices, we expect inflation to slow only moderately to an average of 2.8 percent in 2027.

- **Further tightening of monetary policy expected in December**

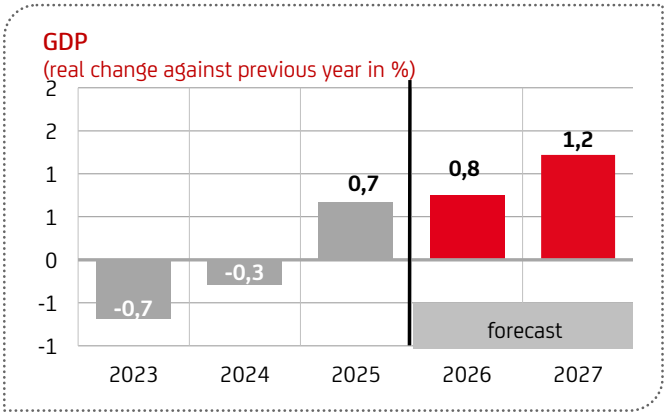
  Following the ECB's interest rate hike of 25 basis points in June and September, the ECB's tightening of European monetary policy is unlikely to be over yet. The escalation of the conflict in the Gulf region increases the risk of a renewed acceleration of inflation. For the European Central Bank, this means additional uncertainty in the direction of its monetary policy. In our view, this increases the likelihood of a further increase in key interest rates. We assume that the ECB will raise the key interest rate by a further 25 basis points in December. It is then likely to take a wait-and-see approach and leave the deposit rate at 2.75 percent.

International Environment

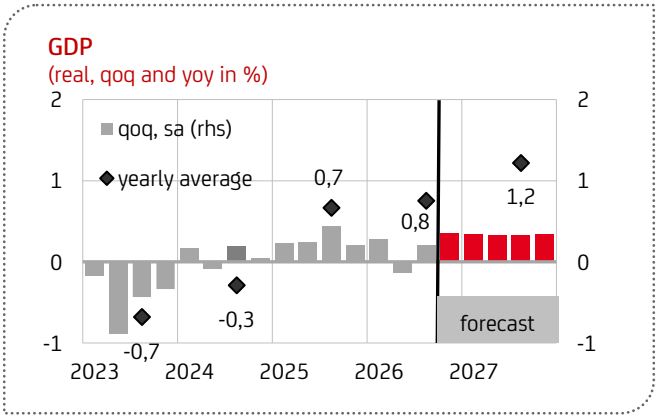
			Forecast	
	2024	2025	2026	2027
(GDP, change in %)				
Eurozone	1.0	1.3	1.1	1.2
Germany	-0.5	0.2	1.2	1.6
France	1.2	0.9	0.3	0.8
Italy	0.8	0.7	0.8	0.6
Spain	3.5	2.8	2.6	1.8
UK	1.1	1.3	1.1	1.2
USA	2.8	2.3	2.3	2.0
Japan	-0.2	1.2	0.7	0.8
	2024	2025	2026	2027
(annual average)				
USD per euro	1.08	1.13	1.15	1.16
CHF per euro	0.95	0.94	0.93	0.96
GBP per euro	0.85	0.86	0.86	0.88
JPY per euro	164	169	182	177
Oil (USD/barrel)	80	68	91	86
10y Gov. bond (A)	2.83	2.98	3.38	3.56
3m Euribor	3.57	2.18	2.38	2.75

Source: Macrobond, UniCredit Bank Austria

Q3 GDP growth supported by global recovery

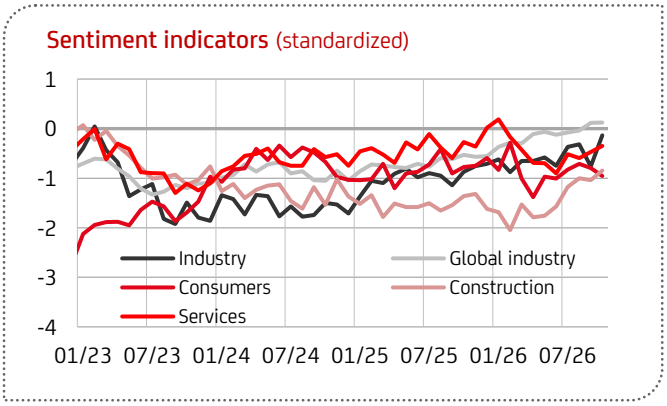


After two years of GDP declines, the Austrian economy began to recover slightly in 2025. According to the latest estimate, GDP growth was revised to 0.7 percent in real terms.

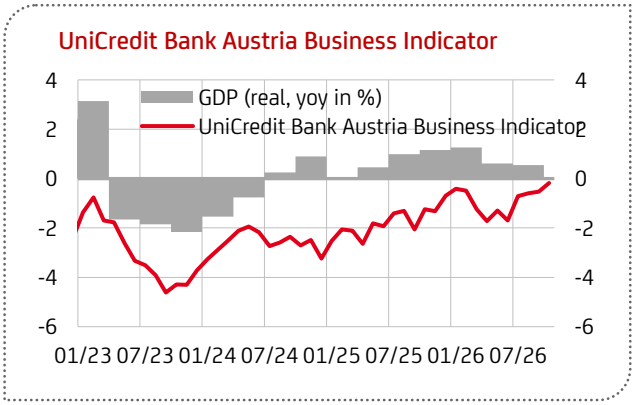


After the dip in the second quarter, the Austrian economy was able to grow slightly again in the third quarter with +0.2 percent compared to the previous quarter.

Sentiment in the Austrian economy continued to improve in October



The improvement in sentiment continued in October. The economic climate improved in all sectors of the economy. However, consumer sentiment became more cautious.



The UniCredit Bank Austria Business Indicator rose to minus 0.2 points in October. It thus reached its highest level since mid-2022.

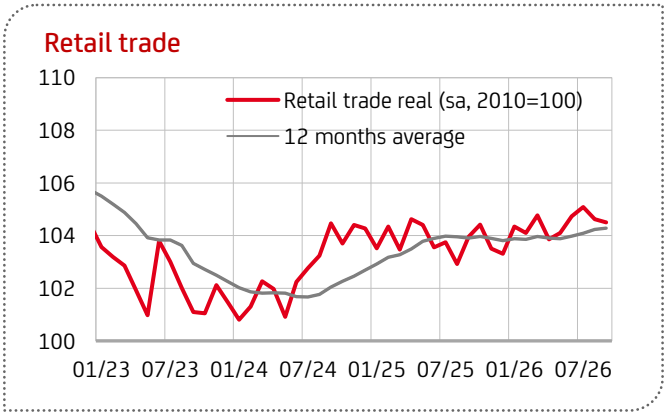
Economic outlook

							Forecast	
	2020	2021	2022	2023	2024	2025	2026	2027
GDP (real, yoy in %)	**-6.3**	**4.9**	**5.5**	**-0.7**	**-0.3**	**0.7**	**0.8**	**1.2**
Industrial output (real, yoy in %)	-7.1	11.0	5.9	-1.7	-4.9	3.2	1.0	2.5
Private consumption (real, yoy in %)	-7.6	4.9	6.1	-0.1	1.3	0.5	0.7	1.0
Investments (real, yoy in %) *)	-5.3	6.0	-0.1	-1.7	-2.4	1.4	1.3	1.8
Inflation rate (change against prev. year in %)	**1.4**	**2.8**	**8.6**	**7.8**	**2.9**	**3.6**	**3.2**	**2.8**
Unemployment rate (national definition)	**9.9**	**8.0**	**6.3**	**6.4**	**7.0**	**7.4**	**7.6**	**7.4**
Employment (change against prev. year in %) **)	**-2.0**	**2.5**	**3.0**	**1.2**	**0.2**	**0.2**	**0.2**	**0.3**
Public-sector balance (in % of GDP)	**-8.2**	**-5.7**	**-3.4**	**-2.6**	**-4.6**	**-4.1**	**-4.0**	**-3.8**
Total public debt (in % of GDP)	**83.2**	**82.4**	**78.1**	**77.4**	**79.0**	**80.7**	**82.0**	**82.5**

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

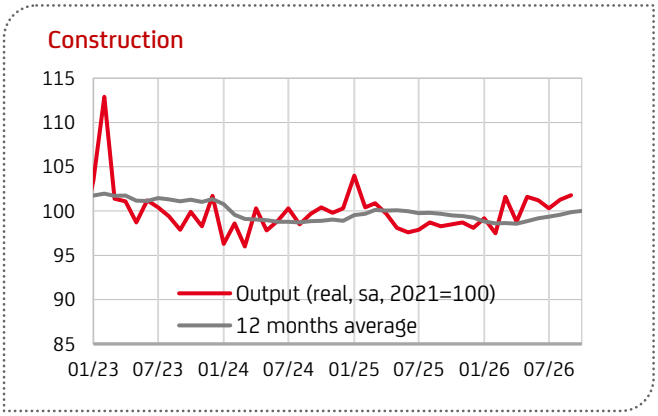
Source: UniCredit Bank Austria

Retail has been picking up speed since the summer



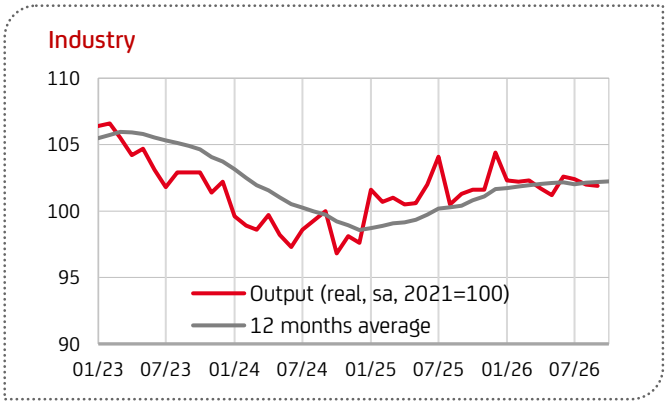
After the 0.8 percent increase in real sales in 2025, the upward trend continued at the beginning of the year. After a dip, the pace recently picked up again. In the first nine months, sales rose by 0.6 percent.

Construction with a slight plus

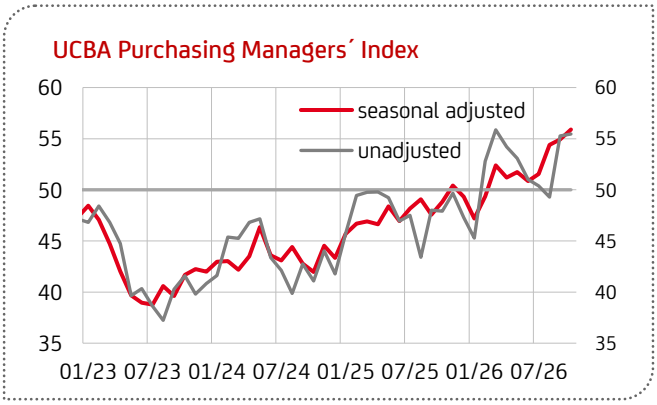


After stabilising construction output in 2025, the latest figures for the first nine months point to a slight year-on-year increase of 1.3 per cent (in real terms, adjusted for the number of working days).

Industry recovery continues to fight its way forward

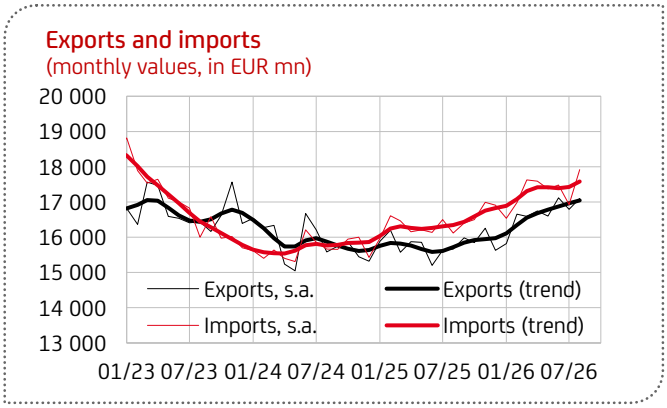


Industrial production (manufacturing, in real terms, adjusted for working days) rose by around 3 percent in 2025. After a weak start, industry grew by 0.7 percent year-on-year in the first nine months.

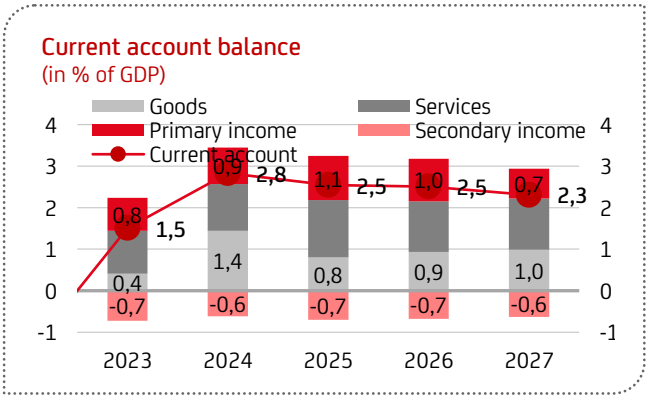


In October, the UniCredit Bank Austria Purchasing Managers' Index rose to 55.9 points, mainly due to an expansion in production supported by stronger new business.

Exports and imports rise, current account surplus remains stable



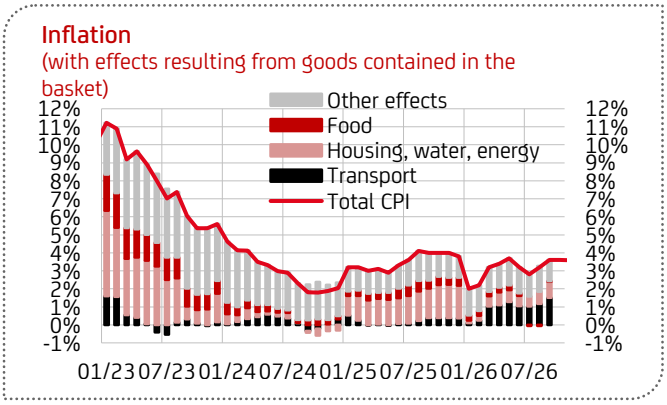
In the first eight months of 2026, merchandise exports rose by 6.1 percent and imports by 6.4 percent year-on-year. The trade deficit increased to 5,8 billion euros (1-8/25: EUR 4,6 bn).



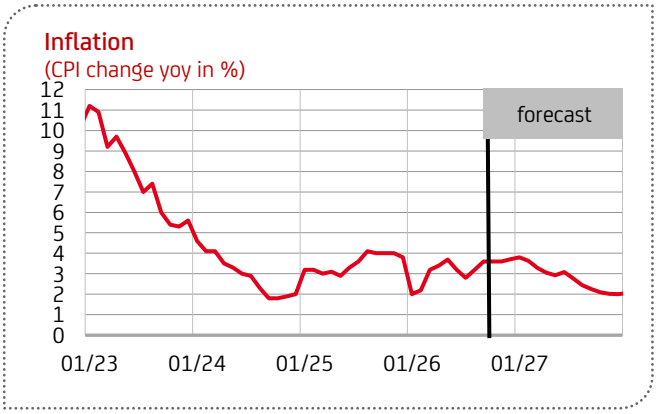
The current account balance deteriorated in 2025, mainly due to the lower trade surplus in goods. For 2026, we expect the current account balance to remain largely unchanged.

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

Inflation rose to 3.6 percent year-on-year in September 2026 according to flash estimate

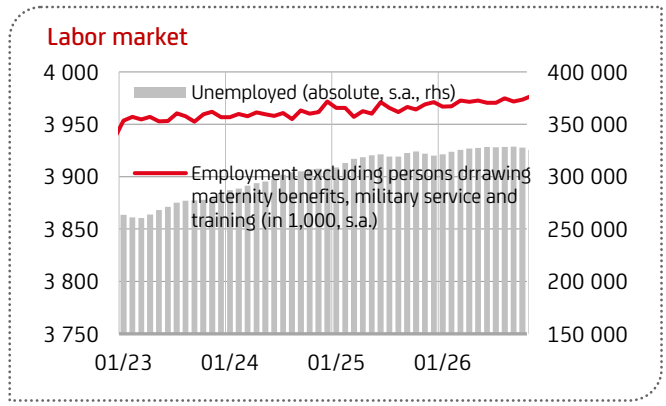


Inflation is expected to be 3.6 percent year-on-year again in October, driven by high energy prices as a result of tensions in the Middle East.

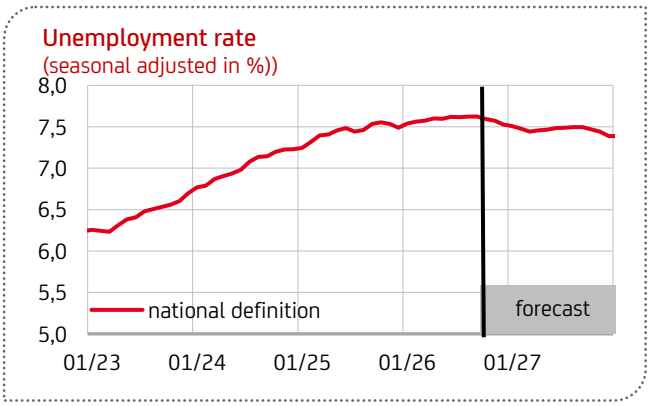


After the sharp decline in inflation at the beginning of 2026, higher values are expected for the time being due to high energy prices. We continue to expect inflation of 3.2 percent for 2026.

Labor market remains tight, but relatively robust in view of the difficult economic environment

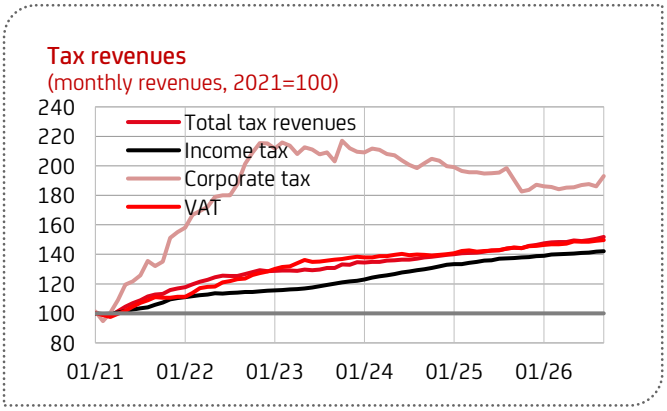


The seasonally adjusted unemployment rate was again 7.6 percent in October. The continuing increase in the number of jobseekers will continue to be cushioned by a slight increase in employment.

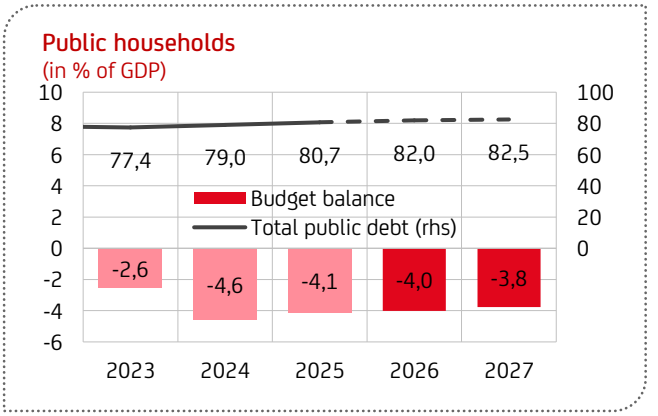


After an average of 7.4 percent in 2025, we now expect an unemployment rate of 7.6 percent for 2026. It should fall to 7.4 percent in 2027, supported by the slower increase in labor supply.

Budget plan fulfilment in 2026 becomes more likely, but total public debt continues to rise



In the first nine months, the federal government's disbursements rose by 3.2 percent year-on-year. Payments rose by 3.9 percent. At -10.9 billion euros, the net financial balance remained below the previous year.



The general government deficit fell to 4.1 percent of GDP in 2025. The consolidation path will continue, but the total debt ratio as a percentage of GDP will continue to rise.

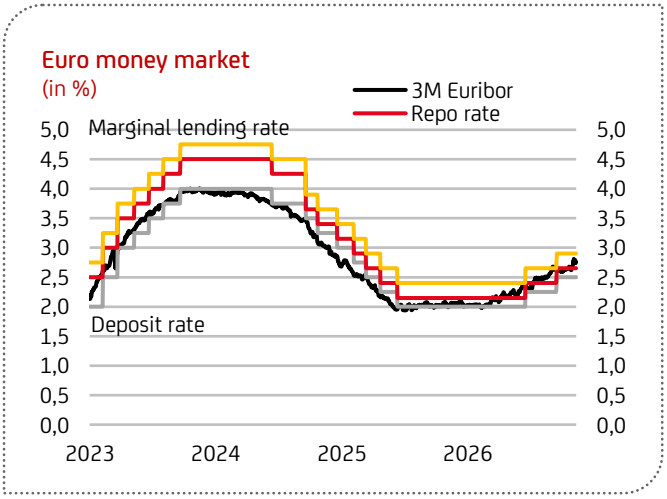
Sources: Statistik Austria, OeNB, UniCredit Bank Austria

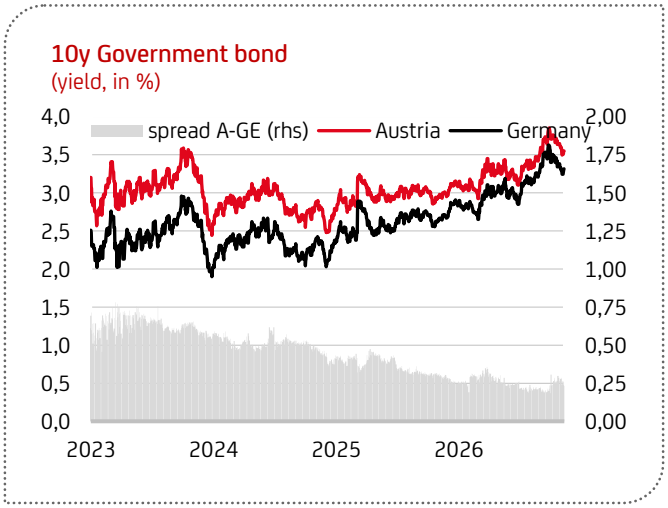
	2023	2024	2025	IV 25	I 26	II 26	III 26	05/26	06/26	07/26	08/26	09/26	10/26
UniCredit Bank Austria Business Indicator	**-3.0**	**-2.6**	**-1.8**	**-1.1**	**-0.7**	**-1.6**	**-0.6**	**-1.3**	**-1.7**	**-0.7**	**-0.6**	**-0.5**	**-0.2**
GDP growth (qoq, annualized)	**-0.7**	**-0.3**	**0.7**	**0.8**	**1.1**	**-0.5**	**0.8**						
Confidence Indicator eurozone manufacturing	**-6**	**-11**	**-10**	**-9**	**-7**	**-8**	**-5**	**-8**	**-7**	**-6**	**-5**	**-4**	**-3**
Germany	-8	-20	-20	-10	-8	-8	-6	-15	-13	-13	-11	-8	-7
France	-8	-8	-9	-8	-5	-7	-5	-7	-8	-6	-3	-5	-1
Italy	-4	-8	-8	-6	-6	-6	-4	-7	-6	-5	-4	-3	-3
Netherlands	-2	-3	-2	-2	0	0	3	-2	2	2	3	4	2
Spain	-7	-5	-5	-4	-3	-4	-3	-4	-3	-2	-4	-1	0
UniCredit Bank Austria Eurozone Confidence Indicator Manufacturing	**-7**	**-14**	**-14**	**-13**	**-11**	**-10**	**-8**	**-11**	**-10**	**-9**	**-8**	**-6**	**-5**
UniCredit Bank Austria Purchasing Managers' Index (PMI)	**42.1**	**43.5**	**47.9**	**49.5**	**49.7**	**51.3**	**53.6**	**51.7**	**50.9**	**51.5**	**54.4**	**54.9**	**55.9**
New orders	37	43	47	49.0	49.4	49.1	52.2	50	49	48	54	55	57
New export orders	38	42	47	48.9	48.4	49.6	50.8	51	49	46	53	54	56
Output	44	44	50	51.2	49.7	50.5	54.8	83	78	68	69	72	77
Confidence indicator Austria manufacturing, total	**-13.2**	**-19.7**	**-15.3**	**-13.7**	**-13.2**	**-12.7**	**-10.8**	**-11.8**	**-13.8**	**-9.4**	**-8.8**	**-14.1**	**-6.8**
Industrial production													
Change against previous year (in %)	-2.1	-4.3	2.7	5.1	1.2	0.8		0.5	0.6	-1.5	1.4	0.6	
Change against previous month (seasonally adjusted, in %)								-0.8	1.6	-0.9	-0.2	0.0	
Foreign trade													
Exports (yoy change in %)	3.1	-4.8	-0.8	2.4	2.8	8.0		0.9	16.9	7.4	9.2		
Exports (mom change, s.a. in %, 3-MMAV)								1.1	0.6	-1.1	-0.5		
Imports (yoy in %)	-5.8	-6.8	4.3	6.5	4.3	8.3		3.5	12.1	2.5	11.2		
Imports (mom, s.a.. in %, 3-MMAV)								0.1	-1.2	-2.3	3.3		
Ex-Im (12 months cumulated, EUR billion)	-2.0	2.2	-7.4	-7.4	-8.2	-8.5		-9.1	-8.5	-7.7	-8.1		
Construction													
Confidence indicator	-6.5	-14.3	-17.3	-16.3	-21.3	-21.8	-13.7	-22.5	-20.3	-15.1	-12.7	-13.4	-10.8
Retail trade													
Confidence indicator	-24.0	-16.2	-4.9	-17.1	-17.4	-21.7	-18.8	-20.3	-20.8	-19.2	-18.2	-19.1	-20.8
Retail trade nom. (change against previous year in %)	2.9	2.8	2.9	1.9	7.8	1.4		-0.7	4.9	2.7	0.8	1.3	
Retail trade nom. (change against previous year in %, 3mav.)								0.9	1.5	2.3	2.8	1.6	
Retail trade real (change against previous year in %)	-3.5	0.9	0.8	-0.3	0.8	-0.1		-2.2	3.5	2.4	0.4	0.6	
Retail trade real (chg. against prev. month in %, s.a., 3mav.)								-0.7	-0.1	1.2	2.1	1.2	
Automobile trade nom. (change against prev. year in %)	11.8	2.4	6.3	5.7	4.4	6.9		1.4	12.4	-3.4	1.2		
Tourism													
Overnight stay (change against previous year in %)	11.3	2.0	3.4	5.3	1.3	0.8		12.9	-5.2	5.4	0.5	6.2	
Labor market													
Employment*) (change against previous year in %)	1.2	0.2	0.2	0.2	0.4	0.4	0.4	0.5	0.3	0.4	0.6	0.1	0.1
Employment (s.a., change against previous month in %)								0.03	-0.05	0.00	0.11	-0.08	0.04
Unemployed (change against previous year in ´000)	7.7	27.1	19.7	14.4	10.2	7.0	8.8	5.5	6.9	8.9	10.0	7.4	4.0
Unemployment rate (in %, s.a.)	6.4	7.0	7.4	7.5	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Prices													
CPI (change against previous year in %)	7.8	2.9	3.6	3.9	2.5	3.4	3.2	3.7	3.2	2.8	3.2	3.6	3.6
HCPI (change against previous year in %)	7.7	2.9	3.6	4.0	2.5	3.4	3.0	3.7	3.2	2.7	2.9	3.5	3.5
Crude oil (in USD per barrel)	81.6	79.7	68.0	62.9	77.3	96.5	90.3	103.7	84.3	82.9	86.8	101.3	110.5
Crude oil (in EUR, change against previous year in %)	-15.5	-2.4	-17.7	-21.8	-5.6	41.9	35.1	57.2	21.0	22.3	29.8	53.2	79.9
Financial market													
3M Euribor	3.43	3.57	2.18	2.04	2.05	2.24	2.52	2.23	2.34	2.43	2.51	2.64	2.64
10-year government bonds (yield in %)	3.08	2.83	2.98	3.00	3.13	3.27	3.47	3.29	3.21	3.32	3.42	3.69	3.69
USD per euro	1.08	1.08	1.13	1.16	1.17	1.16	1.15	1.17	1.15	1.14	1.16	1.15	1.12
Total loans (change against previous year in %, eop)	0.7	0.7	1.8	1.8	2.2	2.6		2.0	2.6	2.9	2.4	2.6	
Consumption loans (change against prev. year in %, eop)	-1.9	-0.9	1.0	1.0	1.4	2.0		1.9	2.0	1.7	1.9	1.9	

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

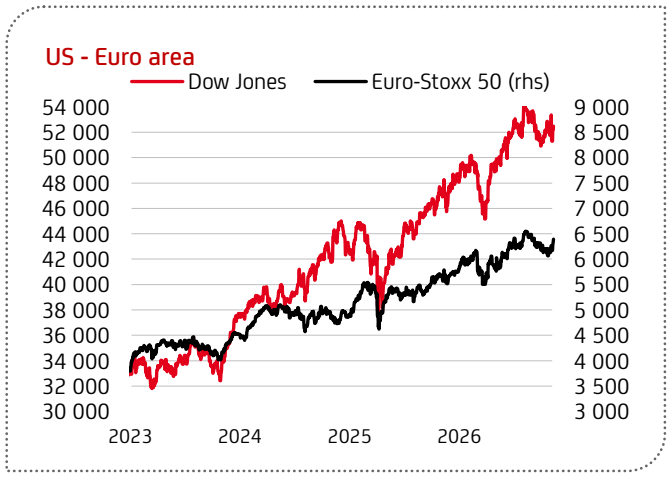
Sources: Statistik Austria, OeNB, UniCredit Bank Austria

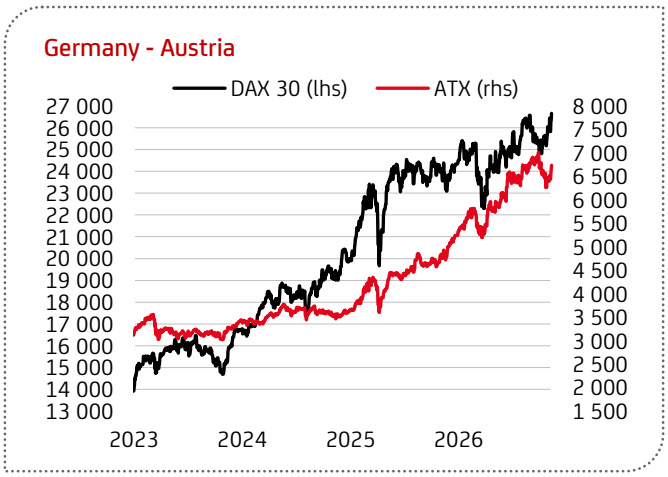
Money market and long-term interest



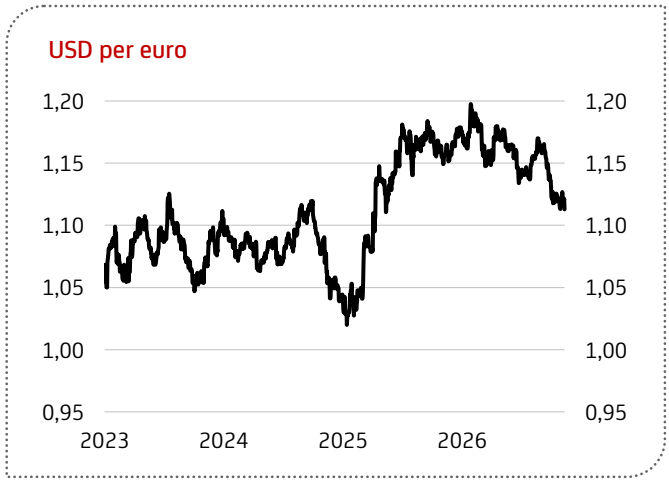


Stock markets





FX trends





Sources: Macrobond, UniCredit Bank Austria

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Published by:

UniCredit Bank Austria AG

1020 Vienna, Rothschildplatz 1

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Status: November 2026