

Snap | 27 April 2018

Austria: Economy gets off to a strong start in 2018

On the back of both domestic demand and net exports, the Austrian economy sees strong first-quarter growth



Source: Shutterstock

Positive momentum

First-quarter GDP growth came in at 0.8% quarter-on-quarter, according to a flash estimate from the Austrian Institute of Economic Research, carrying momentum into 2018. Fourth-quarter GDP growth was revised upwards slightly while full-year GDP growth for 2017 was revised up to 3.0% year-on-year from 2.9% YoY, a level last seen in 2011.

First-quarter growth remained broad-based. Private as well as public consumption expenditure increased by 0.3% each, similar to the previous quarter, while investment momentum remained strong, with continued demand for gross fixed capital formation (+0.8%). Foreign trade and industrial production also supported GDP growth, but both components slowed in the first quarter.

Looking ahead

We expect momentum to continue to slow down somewhat in the months to come. However, this will simply be a levelling off from recent highs and growth should remain robust throughout the year.

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