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Snap

## Austria's new coalition gets started

Sebastian Kurz is now officially Austria's new chancellor, making him the youngest leader in the European Union

Today's inauguration of the new Austrian government went smoothly in Vienna's Hofburg palace, apart from the fact, that Vice Chancellor Heinz-Christian Strache was almost forgotten during handshakes and vows with President Alexander Van der Bellen. Outside the Hofburg, up to 6,000 people were demonstrating against the coalition of conservative ÖVP and the right-wing populist FPÖ and its migration and asylum plans.

While Kurz's ÖVP has eight ministerial posts such as the Finance and Economics ministry as well as the Chancellery Minister including EU affairs, the junior coalition partner, FPÖ, secured six posts, among others the Foreign, Interior and Defence ministries. Interestingly, Vice-Chancellor Strache will not head the Ministry of Finance or Foreign Affairs (as common for junior coalition partners in many other European countries) but becomes Minister for Sports and Civil Servants.

The new government is making every effort to position itself as clearly pro-European. This is reflected by the fact that Chancellor Kurz has moved the entire file for Europe out of the Foreign Affairs ministry to his own Chancellery ministry. Also, Europe - together with the constitution - is listed as the first item on the agenda (the previous Austrian government had Europe at number five). The FPÖ has already abandoned its opposition to CETA (the trade agreement between the EU and Canada) and no longer insists on a referendum on Austria's EU membership. The FPÖ's choice of ministries, as well as Kurz's move to exclude Europe from the Ministry of Foreign Affairs, illustrates that the FPÖ will probably focus on domestic rather than international issues. As to the future of the EU, the new government positions itself for "doing less more efficiently" and wants to achieve more subsidiarity. Nevertheless, the new government still has to prove how much it actually lives up to its own expectations. Its strict asylum requirements must be brought in line with EU interests.

At least when it comes to the economy, Austria has currently returned to star level within the EU. With quarterly GDP growth of above 3% YoY, Austria has become one of the fast-growers of the Eurozone. Whether the country will also become a Eurozone showcase model with regards to politics is now in the hands of Chancellor Sebastian Kurz and vice-chancellor Heinz-Christian Strache. The composition of the new government gives very little reason to expect a repeat of the earlier ÖVP/FPÖ government in the early 2000s. Many EU members at the time were less than happy with the FPÖ's frontman Jörg Haider and took action against Austria by neither operating nor accepting official bilateral contacts at a political level. A repeat of that this time around seems highly unlikely.

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