



AUSTRIA

State of Play – Winter 2017



MACROECONOMIC SITUATION

No imbalances (no In-Depth Review)

- Economic growth has picked up, leaving behind a period of low growth
- Tax reform in 2016 supports private consumption and investment
- Housing prices on the rise
- Unemployment is increasing but remains low and is combined with high labour supply; finding employment is a challenge for older workers, low skilled people and those with a migrant background



PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

Some progress

- in ensuring the financial sustainability of the healthcare system and limited progress for the pension system
- in reforming fiscal relations between the various layers of government
- in improving labour market participation of women and educational achievements of disadvantaged young people

Limited progress

- in removing barriers for service providers and interdisciplinary companies



FISCAL SITUATION

- No excessive deficit
- Structural balance projected to be below the medium-term budgetary objective in 2016
- Public debt above the 60% of GDP reference value, Austria is required to reduce its debt in 2017 according to the debt reduction benchmark
- Draft Budgetary Plan 2017 assessed as broadly compliant with the rules of the Stability and Growth Pact



POLICY HIGHLIGHTS

- Successful mix of policy measures reduced taxation on labour from 2016 on, also for people with a low, non-taxable income benefitting from a "negative tax"

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>