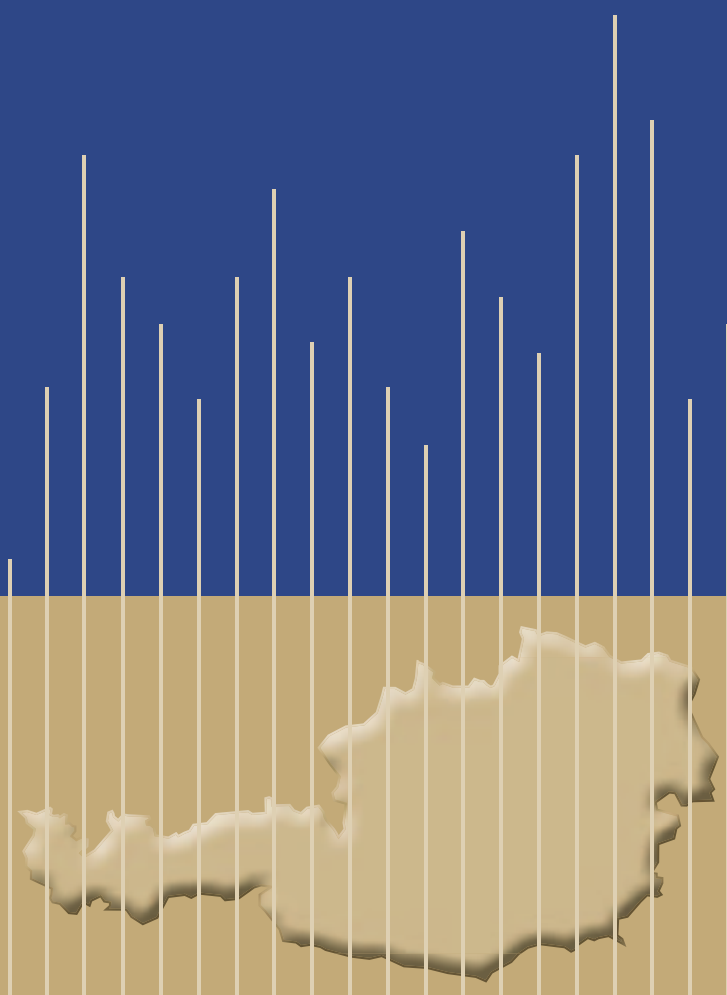


# FACTS ON AUSTRIA AND ITS BANKS





OESTERREICHISCHE NATIONALBANK  
EUROSYSTEM

# FACTS ON AUSTRIA AND ITS BANKS

October 2011

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Editorial close: October, 2011

## Executive Summary

### Strong Economic Performance in Austria

- Austria's growth and wealth figures have been outperforming the euro area averages. Austrian per capita income in 2010, for instance, was 16.7% higher than the euro area average.
- Austria has a diversified economy with a well-balanced sectoral structure.
- According to a recent international comparative study, Austria's innovation performance is above the EU average, which is key to the country's future economic development.
- Given its low unemployment rate and strike frequency, Austria maintains a high degree of social stability. Since the introduction of the euro, inflation in Austria has averaged 1.8%, thus lying below the respective euro area figure of 2.0%
- Households and banks have benefited from the fact that, unlike many other countries, Austria has not experienced a real estate bubble over the past few years and there are no signs of any price bubbles or any troubling financial development.
- Austria has a high saving ratio (currently 9.1%), i.e. households have accumulated substantial financial wealth (EUR 498 billion or 175% of GDP).
- Household debt (94.7% of net income) and corporate debt (232.8% of the gross operating surplus or 91.3% of GDP) levels are low by international standards.
- The moderate unit labor cost growth of recent years has sustained Austria's competitiveness. Productivity gains per employee and per hour in Austria clearly outperformed the euro area average.
- Austria's foreign trade is well diversified both by region and by product type, and exposure to foreign exchange risk is very low: between 2007 and 2010, Austria transacted 54% of its foreign trade with other states within the euro area. Almost one-third of exports went to Germany in 2010.
- Austria has been logging current account surpluses every year since 2002 (currently 2.7% of GDP while the euro area recorded a deficit of -0.4% of GDP). Austria's current account surplus is forecast to increase further in the years to come.
- In 2009, Austria's net debtor position was equivalent to 13.5% of GDP and was hence some 3 percentage points smaller than that of the EU-27 (16.9% of GDP).
- While Austria's public debt went up in 2010, at 72.3% of GDP it is still below the euro area average. Moreover, it is more than 10 percentage points lower than Germany's public debt (around 83% of GDP).
- Driven by the crisis, Austria's budget deficit climbed to 4.6% of GDP in 2010. It remains below the euro area average, however.
- With its gross debt trailing the euro area average, Austria is faced with below-average interest payments on its government debt. In light of the government's sizeable financial assets, investment income lies above the euro area average.

### **Austrian Banks Face Crisis-Induced Challenges**

- In 2010, Austrian banks made a consolidated profit of some EUR 4.6 billion, after their profitability had suffered in 2008 and 2009 in the face of the financial crisis. The outlook for 2011 has slightly deteriorated
- Both the aggregate tier 1 capital ratio and the solvency ratio increased, namely to around 10.3% and 13.5%, respectively, at the mid of 2011.
- The OeNB's spring 2011 stress tests once more attested to the overall crisis resilience of the Austrian banking system. Nevertheless some weaknesses remain.
- Austrian banks' total international exposure (126% of GDP) continues to be low relative to other countries (Swiss banks: 331% of the national GDP), despite their claims on CESEE countries.
- Given their strong focus on the growth markets in CESEE, Austrian banks are only marginally exposed to markets currently facing difficult conditions, such as Greece and Ireland.
- Austrian banks' exposure to CESEE is relatively high (March 2011: EUR 223.9 billion), but regionally well diversified. Austrian banks' subsidiaries rely to a large extent on funding via deposits.
- Operating earnings in CESEE buttress Austrian banks' profitability as their domestic business has weakened. At the mid of 2011, the CESEE subsidiaries' operating result – while weighed down by loan loss provisions – amounted to about EUR 1.6 billion.
- In the long term – and after the end of the current global financial crisis – CESEE will be the region with the best growth prospects in Europe. In 2010, average growth came to nearly 2%. Until 2016, the ten CESEE EU Member States are expected to reclaim their growth edge (of about 2 percentage points) over the euro area countries.
- Economic developments have been very diverse in CESEE; after 20 years of transformation, the countries do not represent a homogeneous economic region.

## I Strong Economic Performance in Austria

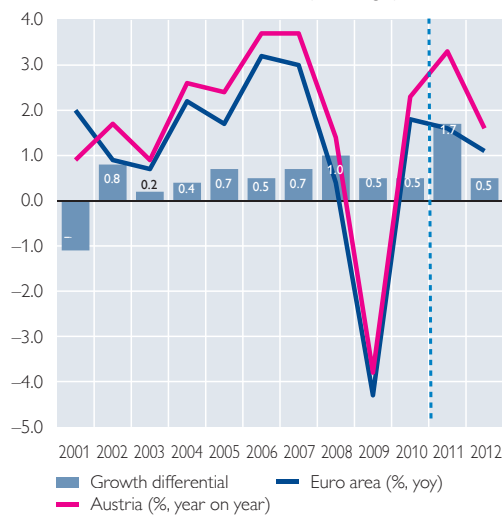
### I.a. Austria's Economy Grows Faster than the Euro Area Average Austria posts higher growth and economic welfare

In nine of the past ten years, Austria has held an *edge in real GDP growth over the euro area*, with the average annual differential coming to 0.4 percentage points. Based on current projections, this trend is likely to continue. Apart from more dynamic growth, Austria also boasts an above-average level of wealth, which exceeded that of the euro area by 14% on average (in terms of per-capita GDP at purchasing power standards) over the past ten years.

Chart 1

#### Growth Differential between Austria and the Euro Area

Growth differential Austria vs. euro area in percentage points

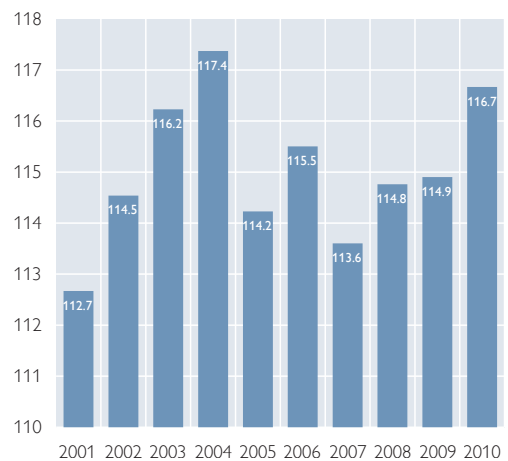


Source: Eurostat, OeNB, IMF.

Forecast data for 2011 to 2012: IMF September 2011.

#### GDP per Capita at Purchasing Power Standards

Euro area = 100

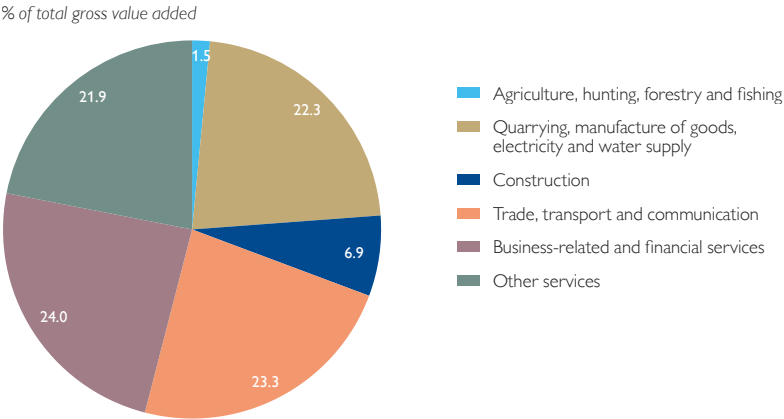


### Sectoral structure of the Austrian economy is well balanced

Given its well-balanced sectoral structure, the Austrian economy *is in a good position to master crises that hit individual sectors particularly badly*. The four largest sectors (business-related services including financial services; trade, transport and communication; manufacturing; and other services) each account for slightly more than 20% of gross value added. The Austrian economy moreover benefits from the fact that *manufacturing is highly diversified*. Construction accounts for a, by international standards, relatively low share (some 7%) in gross value added.

Chart 2

### Breakdown of Austrian Gross Value Added in 2010



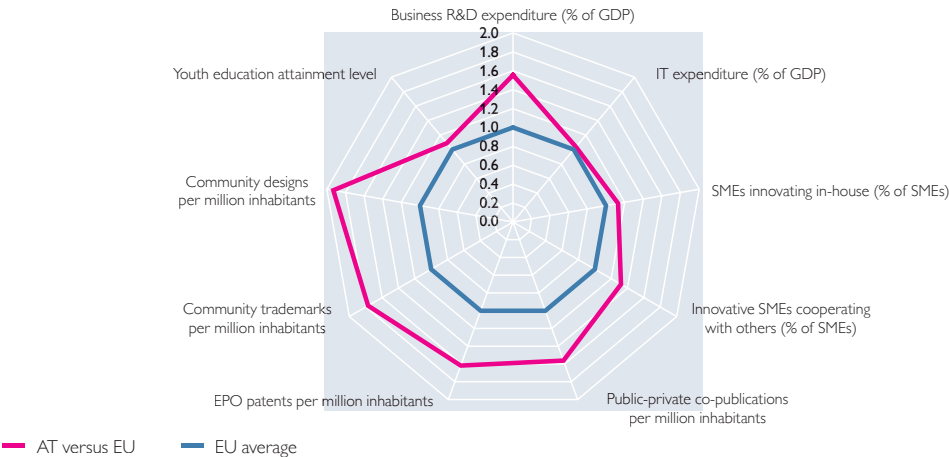
Source: Statistik Austria.

### Austria’s innovation ratios point to positive future growth performance

Innovation performance and R&D activities are good indicators of a country’s growth prospects. The *European Innovation Scoreboard* is a Europe-wide tool providing a comparative assessment of innovation performance based on an array of indicators. *Austria performed well over the past few years*; the 2010 results for the key indicators partly outperformed the EU average by a wide margin. In the medium term, Austria’s high innovative power guarantees solid growth and economic welfare.

Chart 3

### Innovation Performance: Austria Exceeds EU by far



Source: Eurostat.

### Austria records the lowest unemployment rate in the EU

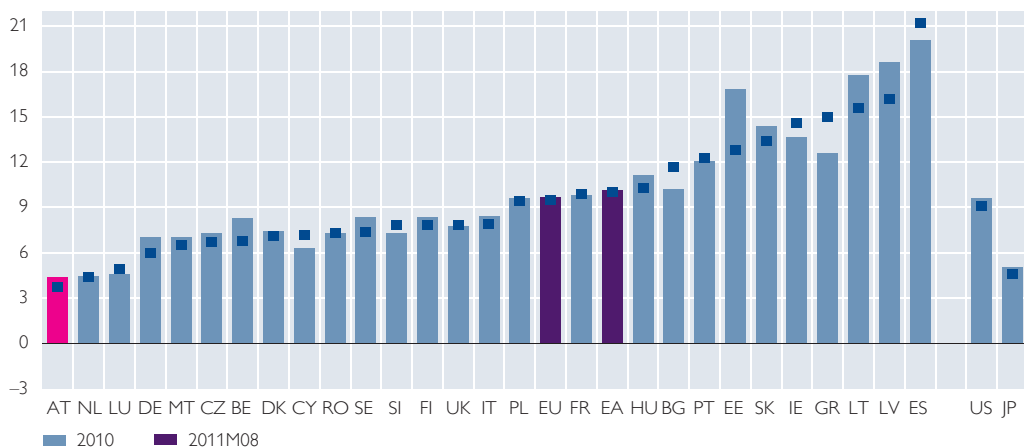
Austria's strong medium- and long-term growth performance has positive effects on the labor market: The country's unemployment rate is among the lowest in the EU (in the summer of 2011, Austria posted the lowest unemployment rate across the EU). The labor market has proved to be relatively crisis-resilient, not least owing to specific support measures. In Austria, both the decline in employment figures during the crisis and employment growth during the recovery were stronger than in the euro area as a whole. The unemployment rate has been going down since mid-2009 and is currently only slightly above its historic pre-crisis low.

In the same vein, Austria is among the top-ranking countries worldwide as regards *social stability* (measured by, for instance, the frequency of strikes).

Chart 4

### Unemployment Rates

Unemployment rate in %, increase in percentage points



Source: Eurostat.

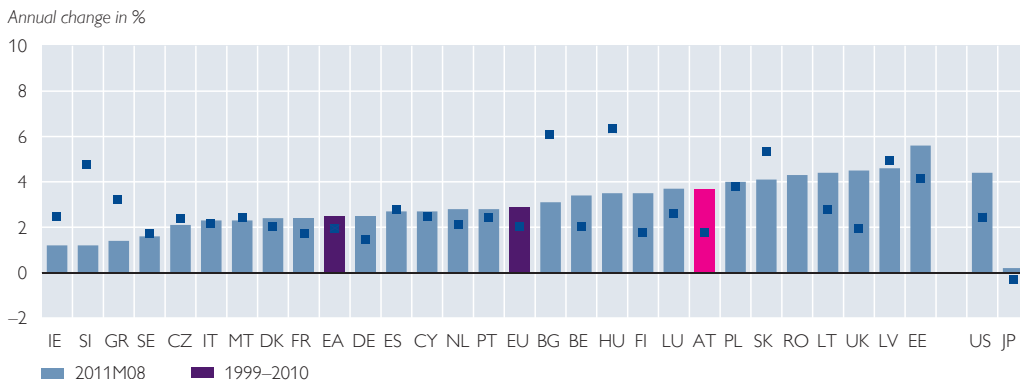
Greece, Estonia, Lettland, Latvia, United Kingdom and Japan – monthly data July 2011.

### Inflation developments in Austria are in line with the objective of price stability

Austria has had a decade of exceptionally stable price developments even though HICP inflation is currently above the euro area level and the EU average. Since the introduction of the euro, Austria has recorded an average inflation rate of 1.8% (euro area: 2.0%). What is more, inflation has been generally lower after the adoption of the euro than it was in the preceding years.

Chart 5

### HICP Inflation Rate



Source: Eurostat.

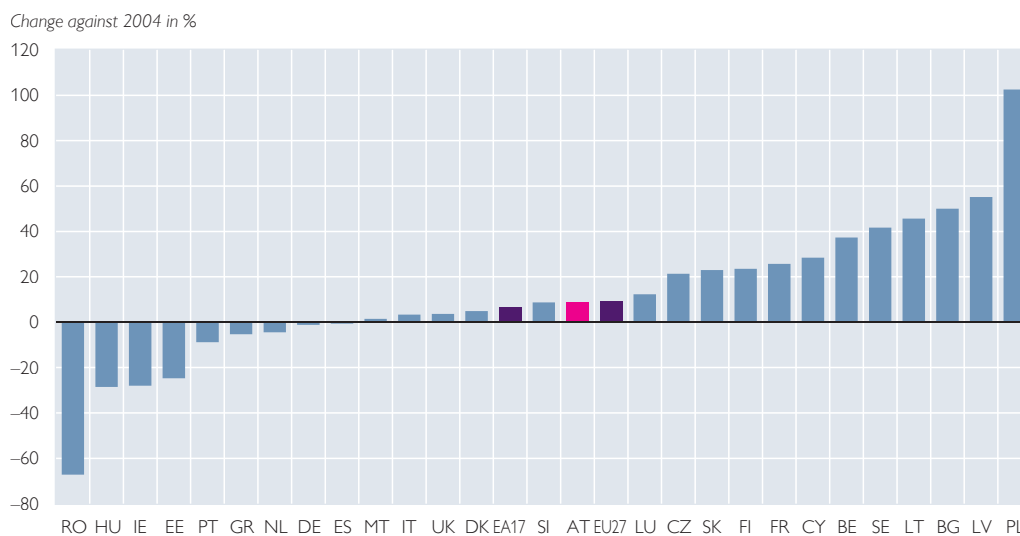
Note: Japan: CPI

### Austrian real estate market: moderate price increases, no bubble

Austrian *real estate prices*, which are *very low* in a European comparison in the first place, have risen only moderately over the past few years. As a case in point, from 1999 to 2009, their increase amounted to a mere 1.2%, which compares with a rise of 32.5% in the euro area. At the EU level, comparable data are only available starting from 2004. Over this period, Austrian real estate prices augmented moderately in line with the euro area and the EU average.

Chart 6

### Real House Prices in EU Countries, 2004–2010<sup>1</sup>



Source: OeNB.

<sup>1</sup> EE and CZ 2005–2010; LU, NL, PL and RO 2004–2009.

Note: A comparison with the current data from 2009 does not show the dynamics of real house prices, especially for the countries with burst house price bubbles (GR, ES, IE, MT, CY).

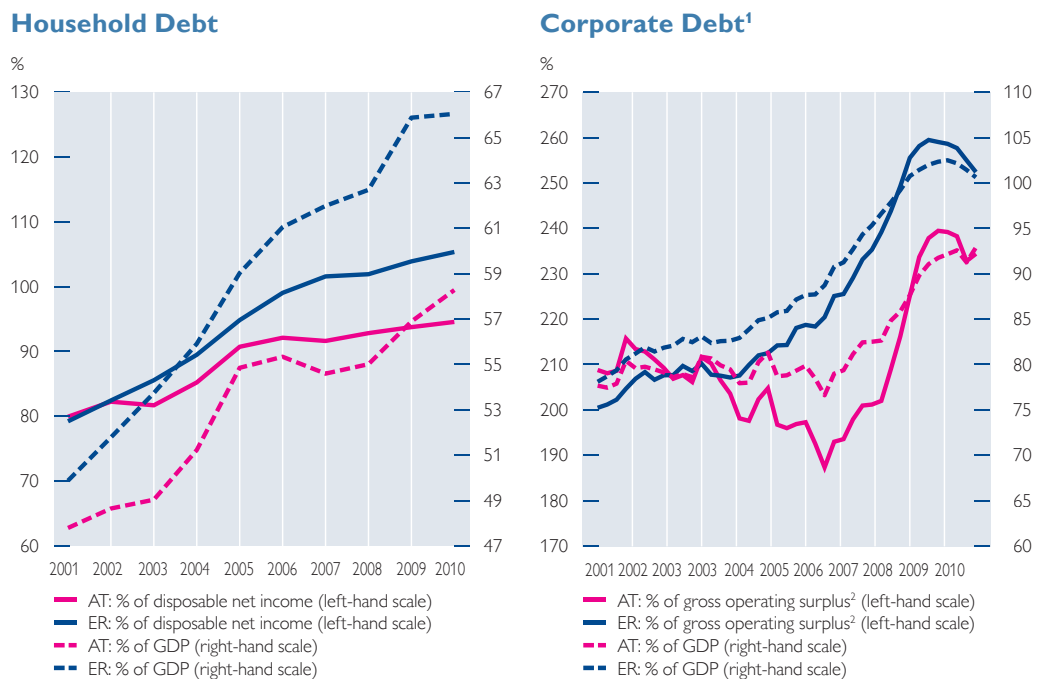
In light of recent price developments and the current decline in the number of building permits, there are *no signs of any price bubbles or any development that might pose a threat to financial stability.*

**High saving ratio, substantial financial asset holdings, household and corporate debt at sustained low levels**

In 2010, households including NPISHs saved about 9.1% of their net disposable income. Compared with other European countries, *Austria thus has an above-average saving ratio.* With *total financial assets* coming to some EUR 498 billion (roughly 175% of GDP) at the end of 2010, the household sector is a key supplier of capital to other sectors in Austria.

In Austria, both *household and corporate debt are below the respective euro area averages.* Austrian household debt as a percentage of net income stood at 94.7% in 2010, 10.8 percentage points below the euro area average. While rising steadily in the euro area, the ratio has remained stable in Austria over the past few years. Likewise, at 232.8% of the gross operating surplus or 91.3% of GDP, corporate debt in Austria was lower than the euro area average (255.0% and 101.5%, respectively) as at end of 2010.

Chart 7



<sup>1</sup> Short- and long-term loans, money and capital market instruments.  
<sup>2</sup> Including mixed income of the self-employed.

## I.b. Austria's Economy Highly Competitive

### Favorable development of unit labor costs

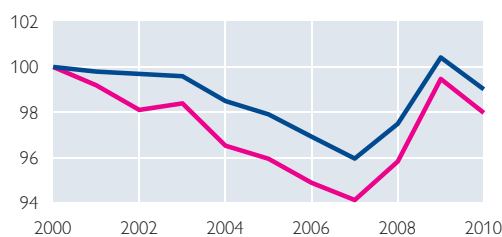
Over the past ten years, Austria's unit labor costs – one of the key measures of price competitiveness – have developed more favorably than the euro area average. The same goes for productivity per person employed and productivity per hour worked. Employment advanced more strongly in the euro area than in Austria in the first years of Economic and Monetary Union (EMU), as from 2009, employment growth, has, however, been considerably more pronounced in Austria. Austria's unit labor cost growth came close to the euro area average during the crisis. In the years to come, unit labor costs are expected to develop more favorably again.

Chart 8

### Development of International Competitiveness

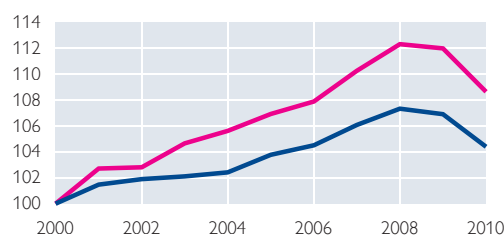
#### Unit labor costs

2000 = 100



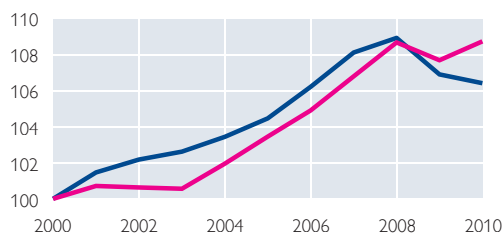
#### Productivity per employee

2000 = 100



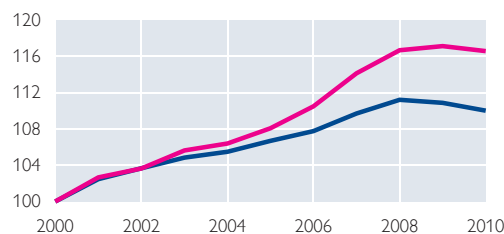
#### Employment

2000 = 100



#### Productivity per hour

2000 = 100



— Austria — Euro area

Source: Eurostat.

### Austria's external trade is regionally diversified, exposure to foreign exchange risk is low

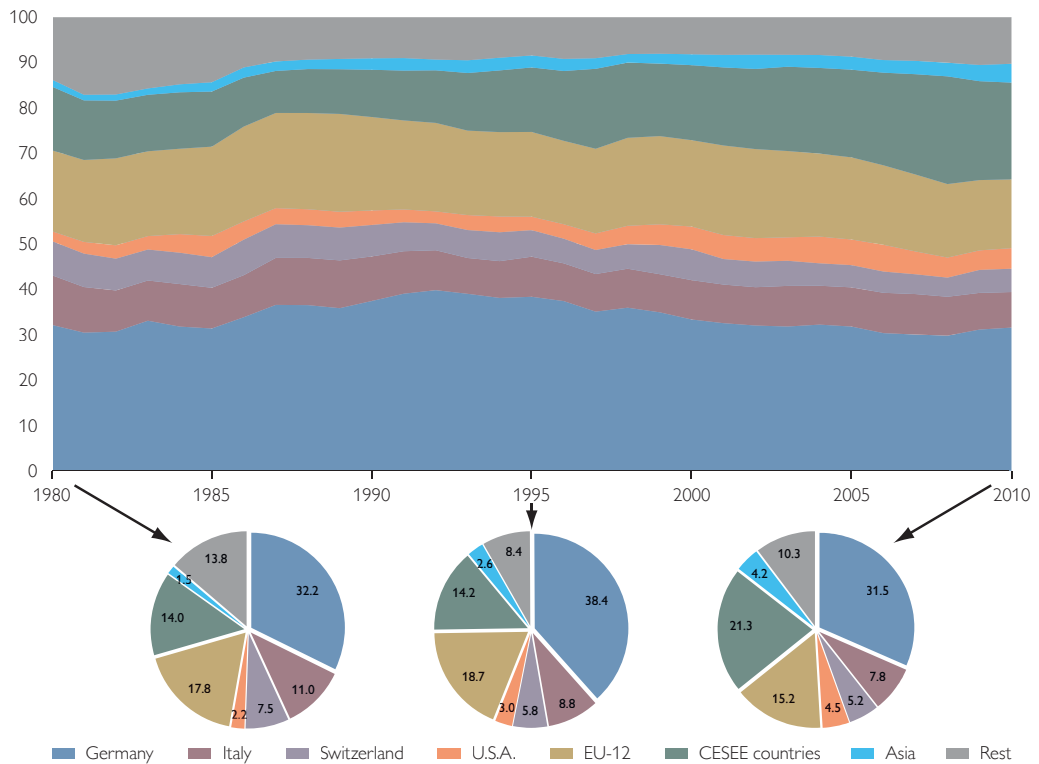
Between 2007 and 2010, 54% of Austria's goods exports went to euro area countries, thus remaining unaffected by the euro's exchange rate changes. Among Austria's trade partners, Germany is still the most important by far, accounting for a share of around 31% of Austria's total goods exports. Next in the ranking are Italy, Switzerland, the U.S.A. and France. Since the beginning of the 1990s, the share of shipments destined for euro area countries (1992: 65%) has been on a steady decline. At the same time, exports to Central, Eastern and Southeastern European (CESEE) countries and the dynamic Asian economies China, Korea and India have been on the rise. Importantly, Austria's foreign trade is highly diversified in terms of goods categories. "Machinery and transport equipment" constitute the single largest

export item. Furthermore, “manufactured goods,” “chemicals” and “commodities and transactions not classified elsewhere in the SITC” together account for some 50% of exports.

Chart 9

### Austrian Goods Exports

% of total nominal exports of goods



Source: Statistik Austria.

Note: Asia: CN, JP, KR;

EU-12: BE, DK, FI, FR, GR, IE, LU, NL, PT, ES, SE, UK;

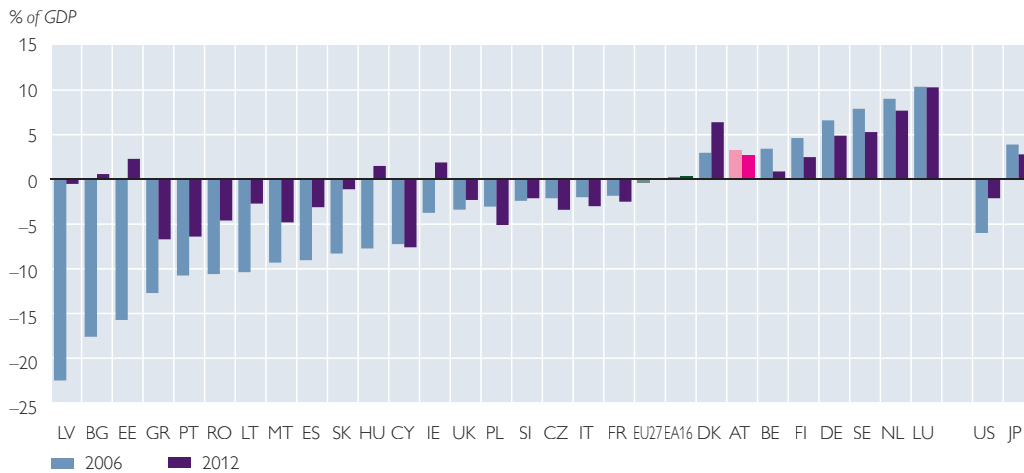
CESEE countries: BG, EE, LV, LT, PL, RO, SK, SI, CZ, HU, AL, BA, HR, ME, RS, BY, MD, RU, UA.

### Current account surpluses confirm Austria’s international competitiveness

Austria has been logging *current account surpluses every year since 2002*, i.e. exports of goods and services have since then exceeded imports. Austria’s current account surplus was 2.7% of GDP, while both the euro area (−0.4%) and the EU (−0.8%) recorded a deficit (according to data released by Eurostat). Austria is forecast to continue to outperform the euro area balance in the coming years by posting higher current account surpluses.

Chart 10

### Current Account



Source: SDW – ECB Statistical Data Warehouse, European Commission (AMECO database).

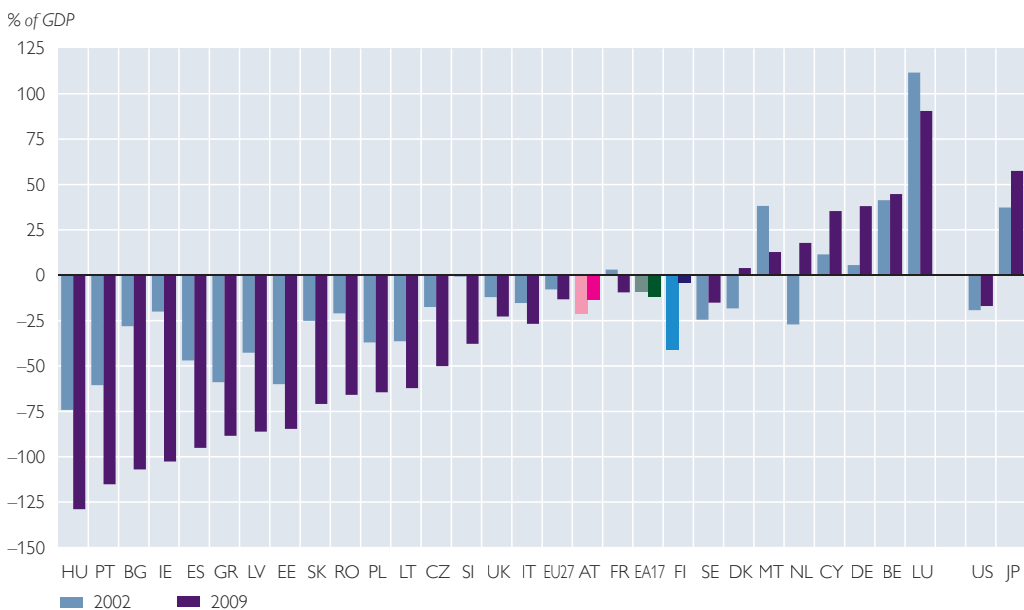
Note: Sources of international organizations are used in this chart to facilitate comparison. As a consequence, the data for Austria may deviate from those shown in other sources.

### Austria’s net external debt is on the decline

Thanks to its sustained current account surplus, *Austria has continually been improving its net international investment position*, which has traditionally shown a deficit, *over the past few years*. Austria’s net foreign debt amounted to 13.5% of GDP in 2009, coming close to the euro area average of 11.3% and remaining markedly below the EU-27 average of 16.9%.

Chart 11

### Net External Asset Position



Source: WIFO, OECD.

Note: Sources of international organizations are used in this chart to facilitate comparison. As a consequence, the data for Austria may deviate from those shown in other sources.

### I.c. Public Finances: Austria's Maastricht Deficit Ratio and Debt Ratio Lower than Euro Area Average

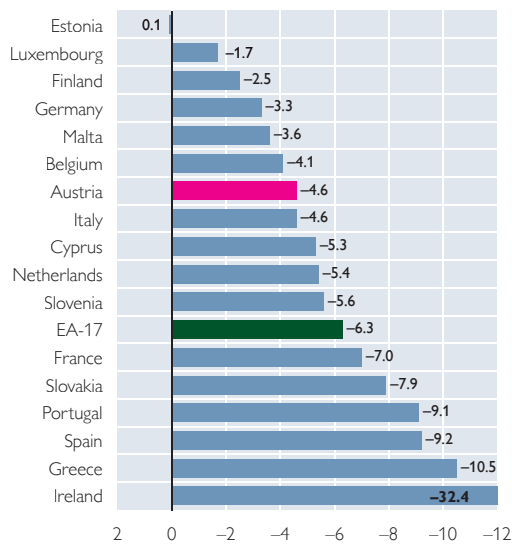
Like all other European countries, Austria recorded an increase in its deficit during the economic and financial crisis. On account of a good structural situation, robust labor market conditions and spending restraint, the financing gap remained at a relatively low level in 2010.

Chart 12

#### Budget Balances of EU Countries in 2010

##### Euro area countries

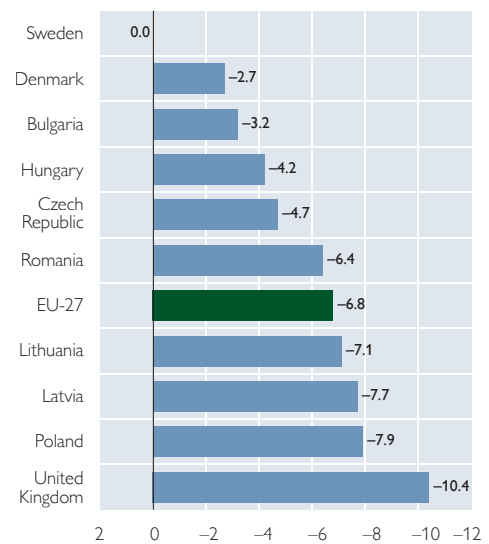
% of GDP



Source: Eurostat.

##### Non-euro area countries

% of GDP

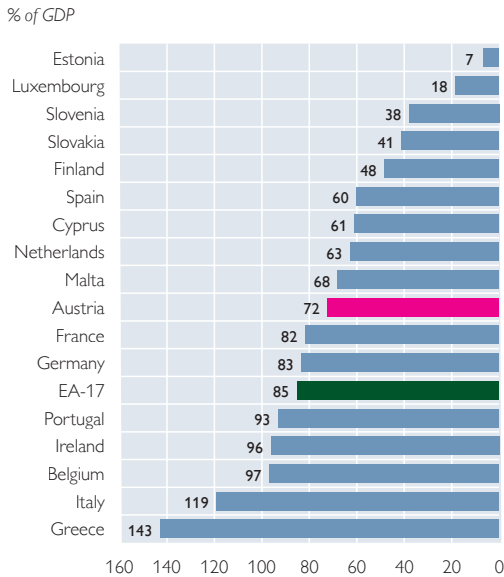


From 2001 to 2007, Austria reduced its government debt by a good 6 percentage points to slightly more than 60% of GDP. This means it also remained below the euro area average, thus giving Austria the necessary leeway to fight recession. Until end-2010, the debt ratio went up again to 72.3% owing to the crisis.

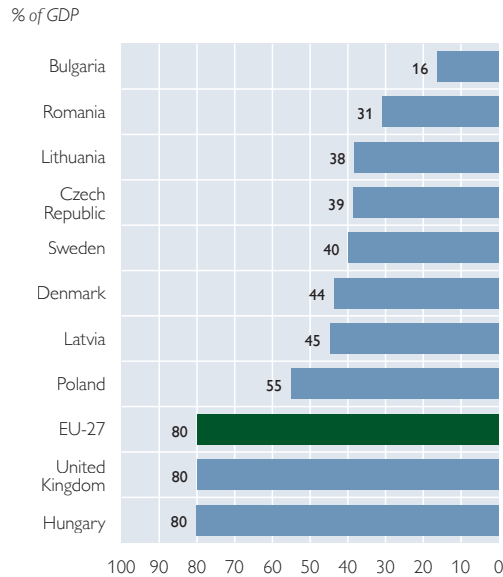
Chart 13

### Public Debt of EU Countries in 2010

#### Euro area countries



#### Non-euro area countries



Source: Eurostat.

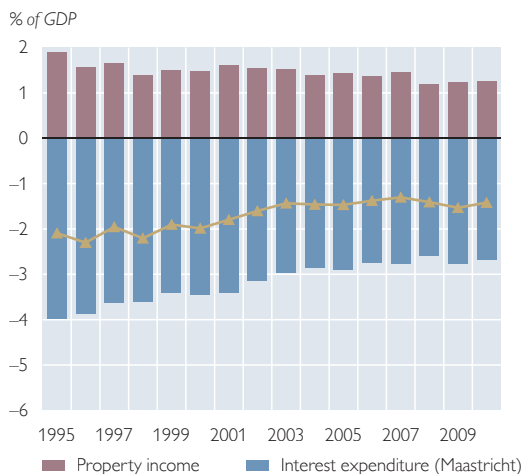
### Comparatively low net burden on the general government budget

With its gross debt trailing the euro area average, Austria is faced with below-average interest payments on its government debt. At the same time, the Austrian general government has sizeable financial assets, such as loans extended and equity investments (the Austrian state holding company ÖIAG, energy providers, municipal institutions). By extension, property income (interest, profit distribution, withdrawal of earnings, lease income) also lies above the euro area average.

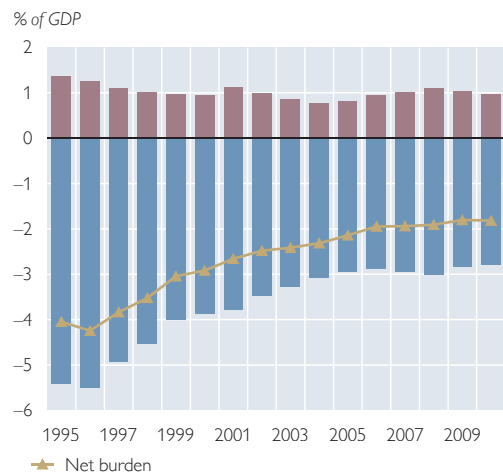
Chart 14

### Interest Expenditure and Property Income

#### Austria



#### Euro area



Source: Eurostat.

## II Austrian Banks Face Crisis-Induced Challenges

### II.a. Austria's banking industry leaves the crisis behind

#### Crisis reduces profits

In 2008 and 2009, the fallout of the financial crisis had weighed on the profitability of the Austrian banking system. Not only did the level of loan loss provisions rise due to the deteriorated credit quality, but also fee-based income contracted in view of investors' heightened risk aversion. Banks moreover recorded in part marked losses in proprietary trading. In the year 2010 things improved considerably. While the consolidated operating profits remained more or less unchanged from the previous year, risk costs declined notably. As a result, Austrian banks' consolidated operating profits improved to some EUR 4.6 billion in December 2010. The return on assets thus came to about 0.5%. A further recovery of the profitability of the Austrian banking system will, however, also hinge on credit risk developments.

Table 1

#### Aggregated Profit and Loss Account

	2005	2006	2007	2008	2009	2010	Q1 11
	<i>EUR billion</i>						
Net interest income	13.2	14.9	18.0	19.3	19.5	20.4	5.0
Fee and commission income	5.6	6.8	8.2	8.5	7.2	7.7	1.9
Trading income	1.1	1.2	0.9	-2.1	2.6	1.0	0.5
Operating profit	7.8	9.2	11.1	7.9	15.6	13.5	3.2
Net profit	4.6	7.5	6.8	0.6	1.5	4.6	1.4

Source: OeNB.

Note: A structural break in consolidated reporting occurred in 2008.

#### Capital adequacy has improved

At a consolidated tier 1 capital ratio of 10.3% and a solvency ratio of 13.5% in June 2011, Austrian banks' capital adequacy still remains below average by international standards but has clearly improved against pre-crisis levels.

The bank support package adopted by the Austrian government in the face of the financial crisis has helped raise not only banks' capital adequacy but also confidence in the Austrian banking market, pushing down refinancing costs.

In particular with a view to the repayment of the state's participation capital and the new Basel III capital requirements, banks continue to be faced with the challenge of strengthening their capital base.

Table 2

**Capital Ratios on a Consolidated Basis**

	2005	2005	2007	2008	2009	2010	Q2 11
	% of risk-weighted assets						
Solvency ratio	11.3	11.3	11.6	11.0	12.8	13.2	13.5
Tier 1 ratio	7.7	7.8	8.1	7.7	9.3	10.0	10.3

Source: OeNB.

Note: A structural break in consolidated reporting occurred in 2008.

**Stress tests show improvements in aggregated shock resilience, but identified weaknesses remain**

Macroeconomic stress tests are a crucial element for financial market stability analysis of the OeNB because it enables to assess resilience against potential negative developments. The stress test carried out in spring 2011 once again yielded widely divergent results, as has been the case since the onset of the crisis. According to the simulations, the aggregate results for all Austrian banks improved, but vulnerabilities nevertheless remained.

At the European level, selected banks were again subjected to an EU-wide stress test in 2011; it was the first time that the exercise was conducted under responsibility of the European Banking Authority (EBA). For the participating Austrian banks, the results of this stress tests turned out as expected.

**II.b. Austrian Banks in Central, Eastern and Southeastern Europe – A Long-Term Commitment****Austrian banks' total international exposure is relatively small**

Austrian banks' total international exposure (claims) amounted to EUR 380 billion or 134% of the Austrian GDP as at end-March 2011.<sup>1</sup> By comparison, the French banking sector's external claims were slightly lower (about 121% of the national GDP), those of British banks came to 173% of GDP, while international exposure of Swiss banks equaled no less than 323% of the Swiss GDP.

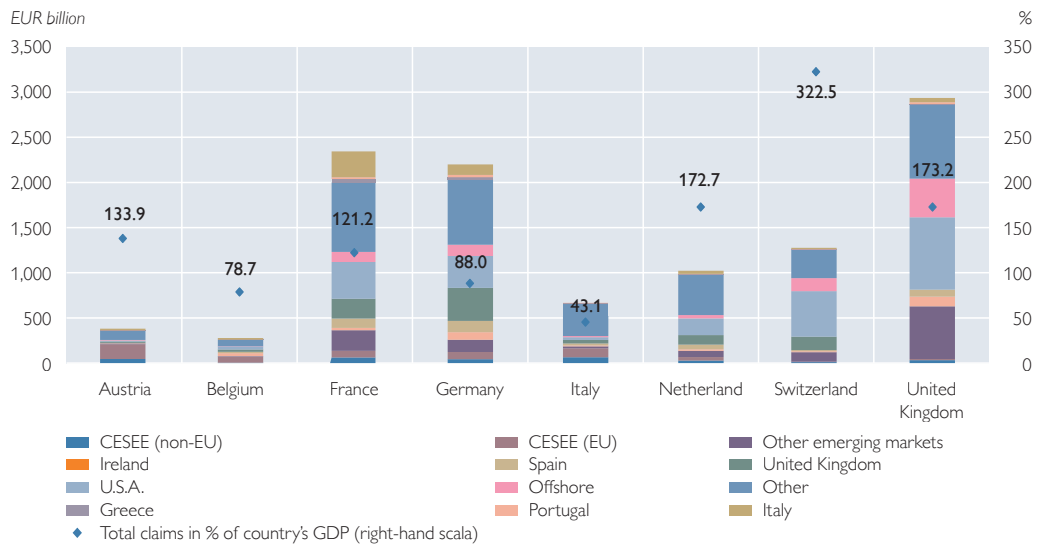
As Austrian banks have strongly focused their activities on CESEE<sup>2</sup> countries, they are – in contrast to German, French, British or Dutch banks – only marginally exposed to markets currently faced with difficult conditions, like Ireland, Spain, Greece or Portugal.

<sup>1</sup> Source: BIS; provisional data.

<sup>2</sup> In this document, "CESEE" refers to Central, Eastern and Southeastern European countries – specifically to the countries of this region that joined the EU in 2004 and 2007, to other Southeastern European countries outside the EU, and to the members of the Commonwealth of Independent States (CIS).

Chart 15

**Consolidated Foreign Claims of Selected Countries (immediate borrower basis)**



Source: BIS, Eurostat.  
2011Q01 (provisional data).  
Note: "Other" denotes other developed European countries, AU, CA, JP, NZ and international organizations.

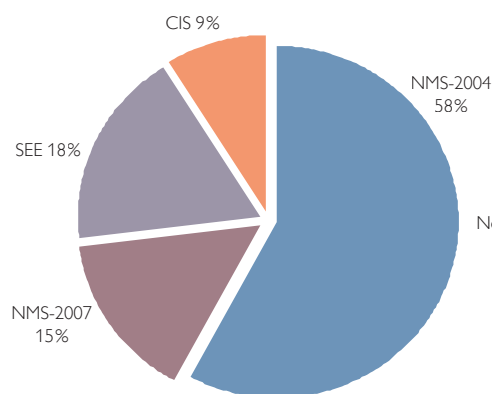
**Austrian banks' exposure to CESEE is significant, but well diversified**

In the first quarter of 2011, Austrian banks' consolidated claims on CESEE countries amounted to some EUR 223.9 billion, of which around 73% were accounted for by EU Member States. In line with the principle of risk diversification, these claims are, however, well diversified across the region. This was also repeatedly confirmed by the IMF, which closely monitors developments as part of its annual assessments.

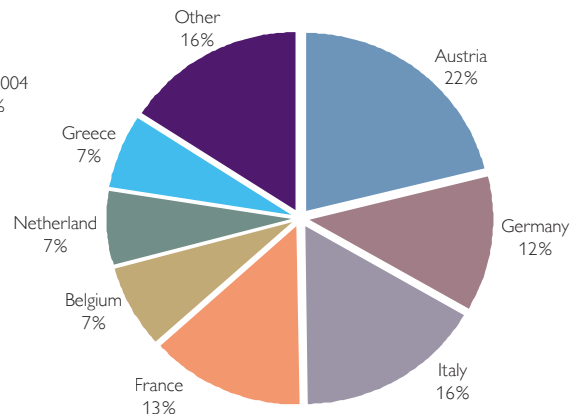
In June 2011, Austrian banks held equity interests in 69 fully consolidated foreign banks in CESEE, whose total assets came to EUR 268.6 billion. Here, the

Chart 16

**Austrian Banking Groups' Exposure to CESEE**



**EU-15 Banks' Shares in Total Exposure to CESEE**



Source: OeNB, BIS; 2011Q01 (provisional data).

Table 3

**Austrian Banks' Consolidated Foreign Claims**

	As at March 31, 2011
	EUR billion
<b>CESEE</b>	<b>223.95</b>
<b>Euro area</b>	35.20
Slovakia	23.21
Slovenia	11.91
Estonia	0.08
<b>Other EU Member States</b>	<b>128.44</b>
Bulgaria	4.02
Latvia	0.34
Lithuania	0.18
Poland	11.54
Romania	30.20
Czech Republic	53.17
Hungary	28.99
<b>Other countries</b>	<b>60.31</b>
Albania	confidential
Armenia	0.01
Azerbaijan	0.06
Bosnia and Herzegovina	4.91
Belarus	confidential
Georgia	0.00
Croatia	25.84
Kyrgyzstan	0.00
Kazakhstan	0.17
Moldova	confidential
Montenegro	0.80
Macedonia	0.29
Serbia	5.59
Russia	confidential
Tajikistan	confidential
Turkmenistan	confidential
Turkey	0.98
Ukraine	6.52
Uzbekistan	confidential
<b>Selected Western European countries</b>	
Germany	41.09
France	8.24
Greece	2.26
United Kingdom	14.17
Ireland	2.04
Italy	17.04
Netherlands	11.95
Portugal	1.22
Sweden	1.49
Switzerland	7.85
Spain	5.63

Source: OeNB.

Czech Republic, Croatia, Romania and Hungary account for the largest shares.

Overall, about 92% of the loans to nonbanks in the region are funded by local deposits, with individual countries recording in part highly divergent values. The business model of Austrian CESEE subsidiaries thus centers on retail banking.

### **Operating earnings from CESEE business strengthen Austrian banking groups' profitability**

In the first half of 2011, Austrian banks' subsidiaries in CESEE posted operating profits (after tax) of some EUR 1.6 billion and thus made an important contribution to the overall profitability of the Austrian banking sector. Interest income remained the key component of operating profits in the region, while income from proprietary trading played only a minor role.

The subsidiaries are therefore exposed to interest rate risk and credit risk (the risk of default of a borrower). This became evident during the financial crisis, when the macroeconomic deterioration in the region drove up banks' loan loss provisions and significantly dampened their profitability. The loan loss provision ratio for consumer loans, which had amounted to some 2.8% at the beginning of the crisis, increased considerably over the subsequent quarters, reaching around 6.8% in June 2011. The CIS countries were particularly affected by the deterioration in credit quality.

### **Impaired access to money markets raises subsidiaries' dependence on parent banks**

Throughout the financial crisis, Austrian banks continued to support their subsidiaries in CESEE, thus making an important contribution ("Vienna Initiative") to the stabilization of the entire region. Given their limited access to money markets, the subsidiaries grew clearly more dependent on their parent banks, which provided them with sufficient liquidity. At the same time, the Austrian subsidiaries

managed, however, to raise their deposit ratio, thus improving their funding. Overall, Austrian banks' liquidity situation is sound. Yet in light of the new Basel III capital requirements and their CESEE exposure, this issue will continue to be a challenge for Austrian banks also in the future.

### **CESEE is a long-term growth market for bank services**

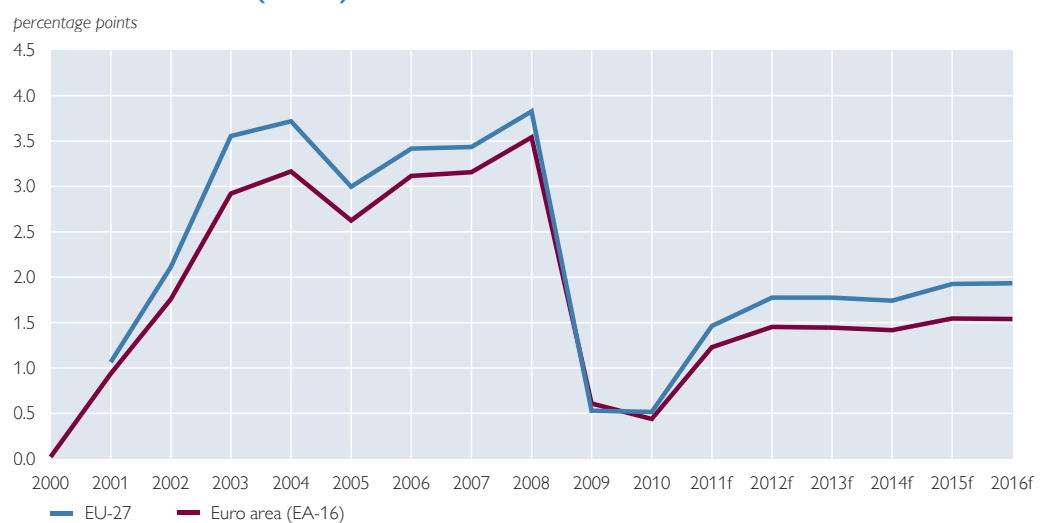
Although the countries of Central, Eastern and Southeastern Europe (CESEE) are facing huge challenges in the short and medium term, they still represent an important growth market for the banks active in the region. The degree of financial development in CESEE is far lower than that seen in Western industrialized countries; for instance, the credit-to-GDP ratio, one measure of financial intermediation, lies only at around 60% even in some of the EU Member States of the region (Romania, Poland, Slovakia and the Czech Republic), while reaching some 110% in Austria. Therefore, Austrian banks view the CESEE countries as a highly prospective region where they pursue a strategy of long-term commitment.

### **CESEE cannot be regarded as a homogeneous region**

Economic conditions vary considerably across CESEE. The individual countries have followed very heterogeneous growth paths for the past 20 years. Economic catching-up went hand in hand with the creation of imbalances in some – but by far not all – countries. Many CESEE countries boast relatively low government debt ratios, for instance. Current account deficit and GDP growth figures have varied greatly during the current downswing. For these reasons, differentiation is vital when analyzing and assessing developments in CESEE.

Chart 17

### **Growth Differential of CESEE EU Member States vis-à-vis the EU-27 and the Euro Area (EA-16)**



Source: OeNB, IMF.

Note: Based on the IMF's World Economic Outlook of spring 2011, forecasts for 2011 are based on the confidential IMF WEO Autumn 2011. Slovakia and Slovenia are included in the CESEE EU Member States aggregate.

**CESEE is the region with the best long-term growth prospects in Europe**

Many CESEE countries have gone through a remarkable economic catching-up process over the past two decades, but their macroeconomic indicators have not yet reached the levels seen in most of the EU-15 countries. These differentials imply a great potential for above-average growth, not only for CESEE but also for the countries with which the region maintains close relations. Thanks to its geographical proximity and its traditionally strong ties with the region, Austria and its economy (including the banking sector) are in an excellent position to benefit particularly from this growth process. Therefore, it has been a natural choice for Austria and its banks to invest in and support the region.

The global financial crisis induced a severe economic downturn in the CESEE countries, causing the growth advantage of the CESEE EU Member States over the euro area (which had been very large in recent years) to contract to only 0.5 percentage points in 2009. With around 2% on average, growth in 2010 was only slightly higher than in the euro area and the growth differential remained small. It is, however, expected to widen again from 2011 and to come to around 2 percentage points by 2016.

## Annex of Tables

Table 1

Real GDP<sup>1</sup>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Annual change in %										
Austria	1.7	0.9	2.6	2.4	3.7	3.7	1.4	-3.8	2.3	3.3	1.6
Euro area	0.9	0.7	2.2	1.7	3.2	3.0	0.4	-4.3	1.8	1.6	1.1
EU	1.2	1.3	2.5	1.9	3.3	3.1	0.5	-4.3	1.8	1.7	1.4

Table 2

Consumer Price Indices<sup>1</sup>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Annual change in %										
Austria	1.7	1.3	2.0	2.1	1.7	2.2	3.2	0.4	1.7	3.2	2.2
Euro area	2.2	2.1	2.1	2.2	2.2	2.1	3.3	0.3	1.6	2.5	1.5
EU	2.5	2.1	2.3	2.3	2.3	2.4	3.7	1.0	2.1	3.0	1.8

Table 3

Unemployment Rates<sup>1</sup>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	% of labor force										
Austria	4.2	4.3	4.9	5.2	4.8	4.4	3.8	4.8	4.4	4.1	4.1
Euro area	8.3	8.7	8.9	9.1	8.4	7.6	7.6	9.6	10.1	9.9	9.9
EU	8.9	9.0	9.1	9.0	8.3	7.2	7.1	9.0	9.7	x	x

Table 4

Current Account Balances<sup>1</sup>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	% of GDP										
Austria	2.7	1.7	2.2	2.2	3.3	4.0	3.7	2.6	3.2	2.8	2.7
Euro area	0.8	0.4	1.0	0.2	0.3	0.2	-0.8	-0.6	-0.4	0.1	0.4
EU	0.3	0.1	0.3	-0.2	-0.4	-0.5	-1.0	-0.6	-0.5	-0.2	0.0

Table 5

Budget Balances<sup>1</sup>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	% of GDP										
Austria	-0.7	-1.5	-4.5	-1.7	-1.6	-0.9	-0.9	-4.1	-4.6	-3.5	-3.2
Euro area	-2.6	-3.1	-2.9	-2.5	-1.4	-0.7	-2.0	-6.3	-6.0	-4.1	-3.1
EU	-2.5	-3.1	-2.9	-2.5	-1.5	-0.9	-2.4	-6.8	-6.4	-4.5	-3.5

Source: Eurostat, Statistics Austria, OeNB, IMF, Federal Ministry of Finance – Austria, ECB (SDW).

<sup>1</sup> 2011 and 2012: IMF forecast of September 2011.

Table 6

**Government Debt Ratios<sup>1</sup>**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	% of GDP										
Austria	66.7	65.8	65.2	64.6	62.8	60.2	63.8	69.5	71.8	72.3	73.9
Euro area	67.9	69.0	69.5	70.0	68.4	66.2	69.9	79.3	85.1	88.6	90.0
EU	60.4	61.8	62.2	62.8	61.5	59.0	62.3	74.4	80.0	82.3	83.7

Source: Eurostat, Statistics Austria, OeNB, IMF, Federal Ministry of Finance – Austria, ECB (SDW).

<sup>1</sup> 2011 and 2012: IMF forecast of September 2011.

Table 7

**General Government Interest Payments<sup>1</sup>**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	% of GDP									
Austria	3.2	3.0	2.9	2.9	2.8	2.8	2.6	2.8	2.7	2.8

Source: Statistics Austria (before and including 2010), Austrian Federal Ministry of Finance (2011 forecast).

<sup>1</sup> According to the EDP notification (Maastricht), including swap transactions.

Table 8

**Household Debt**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	% of disposable net income									
Austria	80.0	82.4	81.8	85.3	90.8	92.2	91.7	92.9	93.8	94.7
Euro area	79.3	82.6	85.7	89.6	94.9	99.1	101.6	102.0	104.0	105.4
	% of GDP									
Austria	47.8	48.7	49.1	51.3	54.9	55.4	54.6	55.0	56.9	58.3
Euro area	49.9	51.8	53.8	55.9	59.1	61.1	62.0	62.7	65.9	66.0

Source: ECB, OeNB.

Table 9

**Corporate Debt<sup>1</sup>**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	% of gross operating surplus <sup>2</sup>									
Austria	215.8	209.3	211.7	198.2	196.8	192.6	198.0	209.0	237.9	232.8
Euro area	204.7	207.7	210.2	207.6	214.2	218.4	229.1	243.8	259.5	255.0
	% of GDP									
Austria	80.4	79.2	80.9	78.0	78.7	78.5	81.2	84.9	91.1	91.3
Euro area	80.6	81.9	83.1	83.0	85.8	87.7	92.7	97.9	102.0	101.5

Source: ECB, OeNB.

<sup>1</sup> Short- and long-term loans, money and capital market instruments.

<sup>2</sup> Including mixed income of the self-employed.

Table 10

**Residential Property Price Index**

	2006	2007	2008	2009	2010	10Q1	10Q2	10Q3	10Q4	11Q1
<i>Index 2000=100</i>										
Austria										
excluding Vienna	109.0	113.0	113.0	116.4	122.3	123.0	122.2	121.1	122.8	125.9
Vienna	113.2	119.6	127.0	134.4	145.2	140.7	142.3	147.6	150.3	154.1
<i>Annual change in %</i>										
Austria										
excluding Vienna	3.1	3.7	0.0	3.0	5.1	4.8	5.8	3.7	6.0	2.4
Vienna	7.6	5.6	6.1	5.9	8.0	8.7	3.7	9.9	9.8	9.6

Source: OeNB, Austria Immobilienbörse, Vienna University of Technology, Institute for Urban and Regional Research.

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